



April 24, 2023

Secretary Cardona
(sent via OESE@ed.gov email)
U.S. Department of Education
Lyndon Baines Johnson Department of Education Building
400 Maryland, Ave, SW
Washington, DC 20202

Re: Waiver Request from Section 317 of the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSA) and Section 2004 (a) of the American Rescue Plan Act (ARP)

Dear Secretary Cardona,

The Commonwealth of Pennsylvania has continued to grow its investment in the areas of K-12 education and public higher education. Education funding in both sectors has grown by nearly \$1.4 billion in K-12 and \$100 million in public higher education. However, due to the unique definition of the Maintenance of Effort in ARP and CRRSA, which defines support in education as a percentage of overall state spending, Pennsylvania did not achieve compliance in FY2021-2022 for the K-12 and higher education sectors and does not anticipate meeting the requirement in FY2022-23 for the higher education sector.

The slight decline in education spending as a percentage of the overall budget is the result of an approximate 3.57% increase (\$3.6 billion) in the Human Services spending from the average of the three-year period between FY2017 and FY2019 to the spending in FY2022. That increase leveled off to around 1.45% in 2023, however it is still impacting education's share of the overall spending. The increase reflects the transition from multiple existing Medicaid fee-for-service delivery systems to a consolidated, capitated, managed long-term services and support system. While the program was a necessary investment to improve delivery services for our Commonwealth's most vulnerable populations, it has decreased the percentage of education spending relative to the overall state budget.

Enclosed is information containing details and explanations relative to Pennsylvania's compliance with other factors for the Secretary's consideration in granting the Commonwealth of Pennsylvania a waiver to the Maintenance of Effort provisions within CRRSA and ARP.

If there is further information required or questions during the consideration of this request, please reach out to Jessica Sites, Director of the Bureau of Budget and Fiscal Management at jesites@pa.gov or 717-783-9843.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Mumin", written over a large, light-colored oval scribble.

Khalid N. Mumin, Ed.D
Acting Secretary
Pennsylvania Department of Education

Factors in Determining the Commonwealth’s Investments in K-12 and Higher Education For Consideration of Waiving Maintenance of Effort provisions within CRRSA and ARP

Pennsylvania has increased support for education over the last seven to eight years as indicated by the factors below.

Factor #1: Has Total State Funding for K-12 Education and for Higher Education increased from the prior fiscal year?

Response: Pennsylvania increased funding for K-12 and Higher Education for Fiscal Year (FY) 2021-22 when compared to FY2020-21 and FY2022-23 when compared to FY2021-22. The table below illustrates the percentage increases.

Table 1: Increases to K-12 and Higher Education from Prior Year

	2020-21 Actual	2021-22 Actual	%Variance 2021-22 vs. 2020-21	2022-23 Available	%Variance 2022-23 vs. 2021-22
Total K-12 Support	\$8,971,198,000	\$9,998,739,000	11.45%	\$10,930,043,000	9.31%
Total Higher Education Support	\$1,859,372,000	\$1,859,372,000	.25%	\$1,998,609,000	7.49%

Factor #2: Has Total State funding for K-12 Education and for Higher Education increased over time (e.g., since baseline years)?

Response: Pennsylvania increased funding when compared to the average K-12 and Higher Education spend. The table below illustrates the percentage increases.

Table 2: Increases to K-12 and Higher Education from Baseline Average

	Baseline Average (2017 through 2019)	2021-22 Actual	%Variance 2021-22 vs. Baseline	2022-23 Available	%Variance 2022-23 vs. Baseline
Total K-12 Support	\$8,591,634,333	\$9,998,739,000	16.38%	\$10,930,043,000	27.22%
Total Higher Education Support	\$1,736,205,667	\$1,859,372,000	7.09%	\$1,998,609,000	15.11%

Factor #3: Has per-pupil State funding for K-12 education and for Higher Education increased from the prior fiscal year?

Response: Pennsylvania increased funding when compared to the per-pupil funding in the prior year for K-12 and Higher Education Sectors.

Table 3: Per-pupil State Funding Increases

	2020-21 Actual per pupil spend	2021-22 Actual per pupil spend	%Variance 2021-22 vs. 2020-21	2022-23 Available per pupil spend	%Variance 2022-23 vs. 2021-22
Total K-12 Support*	\$5,257.81	\$5,862.34	11.50%	\$6,440.21	9.86%
Total Higher Education Support	\$5,812.38	\$6,204.71	6.75%	\$6,839.30	10.23%

*K-12 Per-pupil funding is based on Statewide Average Daily Membership used in the Basic Education Funding formula for year indicated.

Factor #4: Has per-pupil State funding for K-12 education and for Higher Education increased from the baseline average?

Response: Pennsylvania increased funding when compared to the per-pupil funding in the baseline years for K-12 and Higher Education Sectors.

Table 4: Per-pupil K-12 and Higher Education funding From Baseline Average

	Baseline Average (2017 through 2019)	2021-22 Actual	%Variance 2021-22 vs. Baseline	2022-23 Available	%Variance 2022-23 vs. Baseline
Total K-12 Support	\$5,012.79	\$5,862.34	16.95%	\$6,440.21	28.48%
Total Higher Education Support	\$4,977.03	\$6,204.71	24.67%	\$6,839.30	37.42%

*K-12 Per-pupil funding is based on Statewide Average Daily Membership used in the Basic Education Funding formula for year indicated.

Factor #5 Has the State appropriated an increase in State funding for K-12 education and for higher education for future fiscal years?

Response: In his 2023-24 Executive Budget, Governor Shapiro recommended increases to education funding in the K-12 and Higher Education Sectors.

Table 5: Future Funding Increases

	2022-23 Available	2023-24 Recommended	%Variance 2023-24 vs. 2022-23
Total K-12 Support	\$10,930,043,000	\$11,785,363,000	7.83%
Total Higher Education Support	1,998,609,000	\$2,059,644,000	3.05%