

Pennsylvania School Funding Campaign

Successful Schools... Successful Children... Successful Communities

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Background Paper April 2010

In 2008, the legislature replaced Pennsylvania's non-system of funding schools that was based on the annual decisions of a few political leaders. We now have a rational formula that counts students, accounts for their individual needs, recognizes the costs of helping them achieve the state's academic standards, and sets a timetable to close funding gaps by 2013-14. Districts with the biggest funding gaps have the lowest test scores and have gotten the biggest funding increases so far. They are investing in strategies shown by research to improve student performance over time, so we must sustain our investment in the funding reform to give local education reforms a chance to work. The 2010-11 state budget must continue to distribute funds through the formula and must appropriate enough state money to restore the state funding commitment to the 2008-09 funding level of \$5.226 billion.

All children in Pennsylvania deserve a quality education, regardless of the community in which they live.

- Excellent schools promote student learning, help build strong communities, and contribute to our economic development.
- To ensure every student has a fair opportunity to succeed, schools need adequate resources – especially to increase the achievement of those who have the greatest difficulty in learning, such as children from low-income families and English language learners.

Until 2008, Pennsylvania failed to fund public education in a way that gave all students the opportunity to succeed.

- Between 1991 and 2008, Pennsylvania lacked a rational system to distribute state aid to school districts, so districts were dependent on ad hoc funding increases determined by political leaders every year – decisions not necessarily related to student enrollment or needs.
- As a result, the quality of education children received became more and more dependent upon local property taxes.
- Because some communities could afford more than others, many districts developed large gaps between available resources to invest in student success and what is actually needed in order to give every child an opportunity to meet state academic standards.
- In 2007, a legislatively mandated study revealed that 94 percent of the state's school districts needed more resources to ensure that their 1.67 million students could meet those standards.

2008 was an historic year for public education in Pennsylvania, as the legislature and Governor agreed on a sensible approach to funding the schools.

- In 2008, the General Assembly and Governor approved a rational formula that:
 - Counts the students in each district for the first time in nearly two decades.
 - Accounts for the individual learning needs of those students.
 - Recognizes what it will cost to help all of them achieve the state’s academic standards.
 - Provides a plan to achieve full funding of the state’s share of an adequate education for all students by 2013-14.
- In 2009, the General Assembly and Governor continued to use this formula to distribute the state subsidy to school districts and used federal stimulus funds to provide a net increase of \$300 million. But in doing so, the General Assembly also reduced state funding distributed to districts by \$354 million.

The Governor has proposed to fund the third year of the formula in 2010-11 and to begin to replace the federal stimulus funds that are being used in the current (2009-10) budget, and the House of Representatives has approved this proposal. Much has been made of the proposed \$354 million increase in state funding for the formula. Everyone should be clear that the proposed state funding level would only restore the public schools to the same level of state funding received two years earlier – in 2008-09.

- Any additional money for this year and next year is from the federal stimulus, and those funds will not be available after 2010-11. See Chart 1 on page 4.

Low-spending districts have the lowest student performance and are receiving the most state help from the new formula.

- Districts with the highest per pupil gaps between what they need for all students to receive a quality education and what they are able to spend (adequacy gaps) have the lowest state reading and math test scores. See Chart 2 on page 5.
- The 2008 funding reform is helping students who need it most. Districts with the lowest PSSA scores have received the largest state subsidy increases during the first two years of the new formula. See Chart 3 on page 5.

As a result of the new formula, thousands of Pennsylvania’s children are benefiting from programs aimed at increasing student achievement – the key to ensuring Pennsylvania’s future economic success.

- Districts are spending the new state money on reforms that research shows will achieve results for students – if those reforms are sustained. These include:
 - Tutoring and increased instructional time for over 560,000 students.
 - Advanced courses and more rigorous programs for almost 407,000 students.
 - Pre-K, full-day kindergarten, and smaller class sizes in the early grades for over 24,000 students.

- If we want these education reforms to pay off in improved student achievement, we must sustain them through continued state investments distributed through the formula.

Pennsylvania must continue to keep moving forward on public education during these difficult economic times. There is no greater investment during an economic recession than in the preparation of the Commonwealth's future workforce, and this requires that school districts have adequate resources.

- By ensuring that our workforce is adequately prepared to meet the challenges of a 21st century economy, we can help stimulate the economic growth of Pennsylvania in the years to come.
- Pennsylvania cannot postpone today's investments in public education because that will reduce our economic potential in the future. A sustained multi-year commitment to increase the state's resources available to school districts must therefore be a priority even in the most difficult economic times.

When the formula was adopted two years ago, the state adopted a phase-in schedule that closed the adequacy gaps faster in Years 1-3 for the 100 highest-taxing districts and began to help the other 400 districts catch up beginning in 2011-12. In fairness to those 400 districts and the children they educate, we must sustain the state funding reform so that they ultimately receive their fair share.

Chart 1

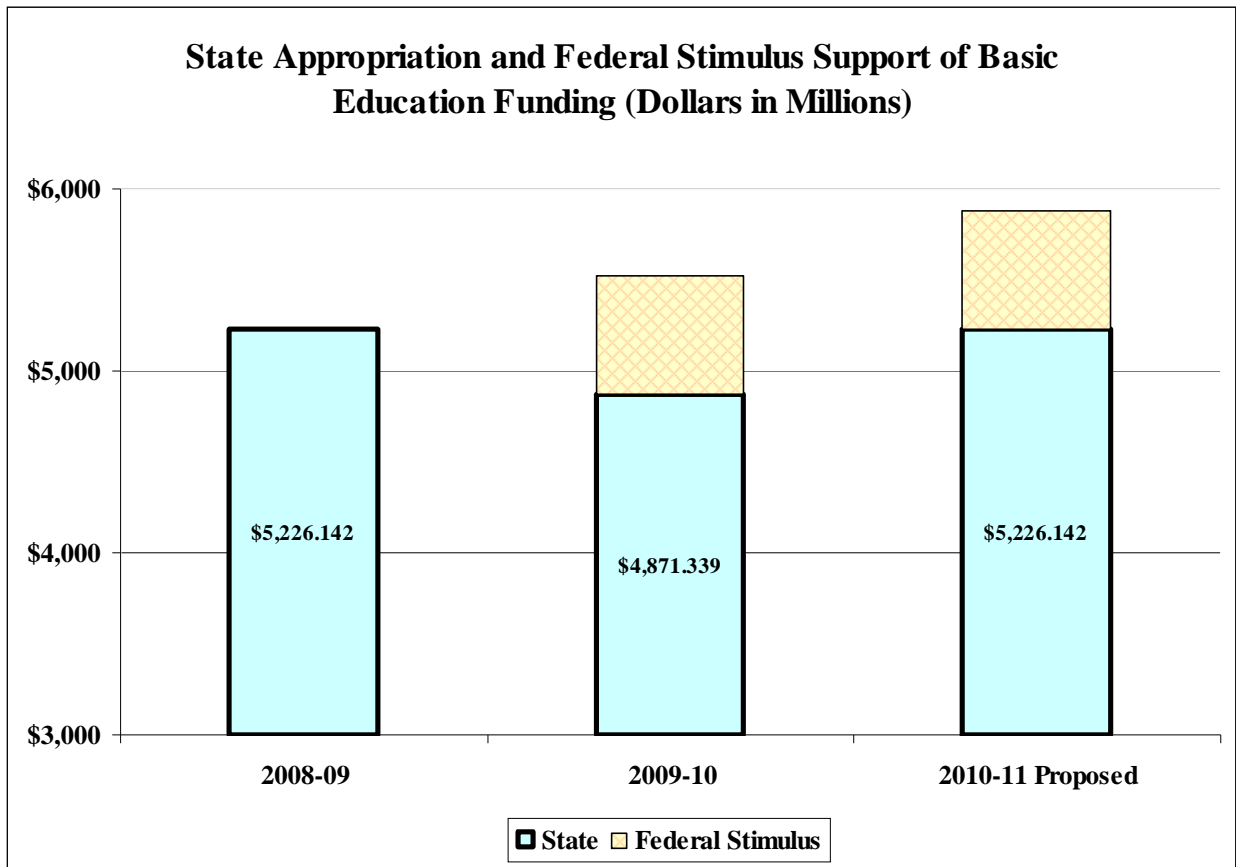


Chart 2

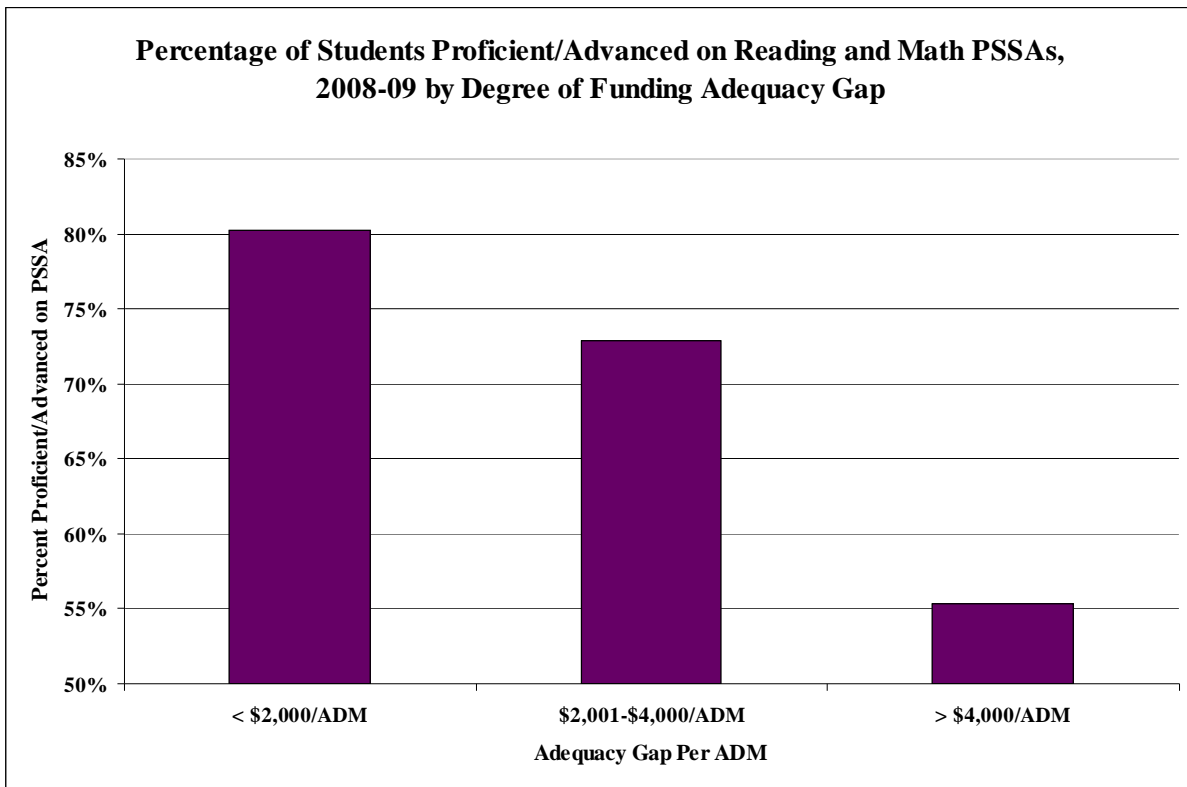


Chart 3

