



PENNSYLVANIA

Budget and Policy Center

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June 27, 2014

HOW DO HOUSE BUDGET CUTS AFFECT YOUR SCHOOL DISTRICT?

ANALYSIS OF THE IMPACT OF THE HOUSE BUDGET ON FUNDING FOR SCHOOL DISTRICTS AND CHARTER SCHOOLS

The budget approved by the Pennsylvania House of Representatives on June 25 made significant changes to the Governor's proposed allocations to school districts and charter schools.

The House budget eliminates a \$241 million increase to school districts and charter schools offered in the Governor's Ready to Learn Block Grant, replacing it with a \$70 million basic education increase, which is a 71% reduction from the Governor's original proposed increase.

The House kept a 2% increase in special education funding, allocated through a flat 2% increase to each district – rather than using the formula devised by the Special Education Funding Commission to focus assistance where it is most needed, and added \$10 million to fund new school construction projects, although the distribution of those funds is not known.

The education funding cuts from the Governor's budget are part of an overall spending plan that is still in flux. The House plan, which relies on unlikely funding sources, could be amended in the Senate to include new revenue and a restoration of some of the education funding promised in Governor Corbett's budget.

The House budget has already had an impact on local property taxpayers. The Shippensburg School District, which had planned to adopt a budget with no tax increase, on June 26 instead increased millage rates for residents of both Franklin and Cumberland Counties.ⁱ

This analysis compares each school district's Ready to Learn allocation with that proposed by the House. The House allocation assumes a 1.3% across the board increase from each district's current basic education appropriation.

The Ready to Learn Block Grant used a funding formula based on student enrollment, poverty, and students with limited English language proficiency to determine funding levels, so the elimination of the block grant affects school districts differently.

The findings:

- 498 of 500 school districts lose funds under the House plan. Only Chester-Upland School District in Delaware County and Bryn Athyn in Montgomery County come out ahead.
- Poorer school districts and those with growing enrollments or above average property tax burdens receive among the largest dollar cuts.
- **Lebanon** School District in Lebanon County has the largest per student cut, followed by **Reading City** School District, **Scranton** School District, **Steelton-Highspire** School District, **Shenandoah Valley** School District in Schuylkill County, **Lancaster** School District, **Panther Valley** School District in Carbon County, and **Southeast Delco** School District in Delaware County. For a list of 50 school districts with the largest per-student reductions, please see Appendix 1.
- The **School District of Philadelphia** receives a **\$16.6** million cut in the House plan from the Governor's proposal. The district has seen large cuts over the last three years, and has eliminated 5,000 positions, closed 31 school buildings and eliminated all but 16 libraries for 200 school buildings.ⁱⁱ
- Other big losers include the **Allentown** School District, (-\$2.5 million), **Erie City** School District, (-\$1.8 million), **Upper Darby**, (- \$1.7 million), **Lancaster** School District, (-\$1.6 million), **Bethlehem Area**, (- \$1.4 million), **Pocono Mountain**, (-\$1.1 million), and **Easton Area**, **East Stroudsburg** and **Altoona** have reductions of almost \$1 million. A list of the 50 school districts with the largest dollar reductions from the Governor's plan can be found in Appendix 2.
- Charter Schools will lose a total of \$19.2 million in direct funding from the proposed Ready to Learn Block Grant.

Some school districts may have included the proposed allocations in budgets adopted this year, while others may have included a lesser amount, or no increase at all in budgets.

Public opinion polls conducted throughout 2014 have found that education has replaced the economy as the top concern of Pennsylvania voters. Governor Corbett's budget plan responded to that concern with significant new funding that would begin to restore cuts enacted in his first budget.

As the budget deadline looms, the Governor and leaders in both Houses have indicated that pension changes are now their first priority, although leading pension reform bills have little impact in the near term. Lawmakers have also linked new revenue that would balance the budget and fund education to these pension changes.

Without new revenue and a new commitment on the part of state policymakers to rebuild Pennsylvania's public education system, parents, students and taxpayers will once again be left empty handed.

ⁱ http://cumberlandlink.com/news/local/communities/shippensburg/shippensburg-school-board-approves-lerta-proposal-budget-with-tax-increase/article_7b569928-fd61-11e3-baaf-001a4bcf887a.html

ⁱⁱ <http://www.phillytrib.com/news/hite-sales-tax-extension-crucial-to-solvency-of-schools.html>