

January 31, 2022

Senator Vince Hughes, Democratic chair of the Senate Appropriations Committee, Sen. Lindsey Williams, Democratic chair of the Senate Ed Committee; Sen. Tim Kearney, member of the Senate Education Committee, and Democratic vice-chair of the Senate Appropriations Committee, Rep. Matt Bradford, Democratic chair of the House Appropriations Committee and Rep. Michael Schlossberg, House Democratic Caucus Administrator today put forward a bold proposal for new funding for Pennsylvania's 500 school districts.

Pennsylvania Budget and Policy Center strongly supports this proposal. It goes far towards eliminating the inequitable, inadequate funding that keeps 89% of the school districts in the state from meeting their responsibilities to our children. For years, we [have pointed to Pennsylvania's failure](#) to provide adequate and equitably distributed funding to our school districts. The pandemic has made that failure even more evident. And the federal provision of ARP funds, as well as budget surpluses created by a faster than expected economic recovery, has given the state the opportunity to make a major new investment in our schools without raising new revenues.

The proposal makes the following new investments in our schools:

- \$1.1 billion added to basic education funding through the fair funding formula.
- \$750 million added to basic education funding through the Level Up program, targeting the 200 most underfunded school districts.
- \$1.1 billion to remediate toxic school buildings.
- \$250 million to recruit and train teachers.
- \$125 million to provide mental health support to students.
- \$100 million to provide academic support to students.

PBPC's preliminary analysis of the impact of new school funding through the formula and Level Up shows that it directs funds to the schools that need it most. While the new funds would not eliminate all funding inequities, it would reduce them substantially.

This analysis divides school districts into four groups, each of which contain school districts that teach a quarter of the K-12 students in the state. The groups are arranged in terms of (1) the share of households living in poverty in each district, (2) the share of Black students in each district, and (3) the share of Hispanic children in each district.

For each group we present the current shortfall in the state funding adequacy target per student and the shortfall that would be left were the Democratic plan enacted. The amount of funding needed to provide an adequate education in each school district is based on a recent update by Professor Matthew Kelly of Penn State of the 2008 costing out study. An adequate level of funding per school district was determined by taking into account the number of students, the share of students who come from household living in poverty, and the share of students whose first language is not English. The state funding share of the adequacy target is determined on the basis of the capacity of school districts

to raise funds locally, that is, the tax base for each district. (Full details of the methodology used in our analyses of school funding can be found [here](#).)

Table 1 shows the Democratic proposal’s impact on inequity in school funding on the basis of the economic well-being of each school district. Under current funding, the shortfall in state funding per student for the quarter of school districts with the highest share of households living in poverty is \$2,781, while the shortfall for the school districts with the lowest share of households living in poverty is only \$262.

The Democratic proposal reduces the shortfall in state funding per student in the highest poverty school districts by \$1,350 per student, dropping it to \$1,431 per student. The shortfall in state funding per student for the lowest poverty school districts is reduced by \$151 per student to \$111 per student.

Table 1

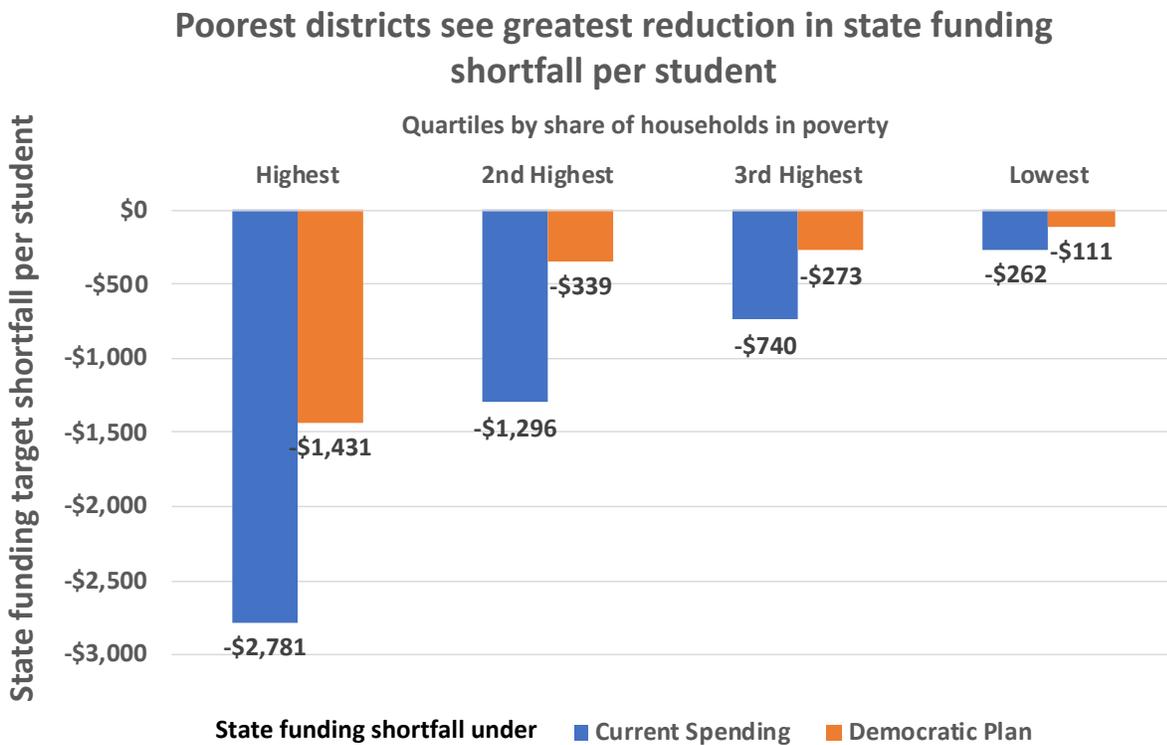
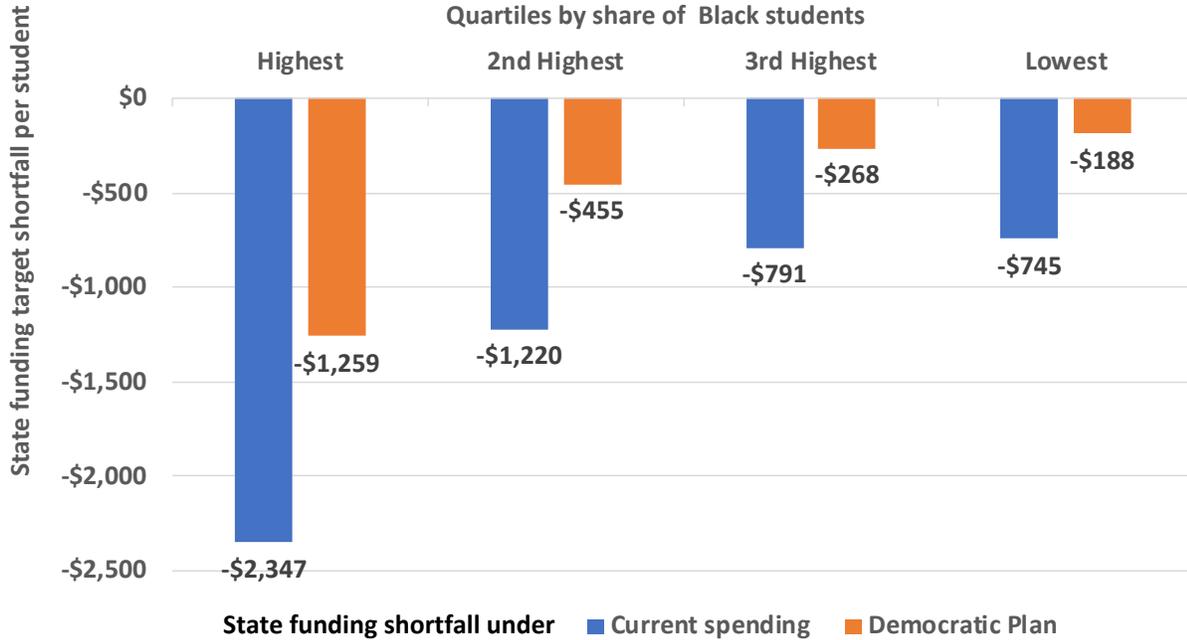


Table 2 shows the Democratic proposal’s impact on inequity in school funding on the basis of race. Under current funding, the shortfall in state funding per student for the quarter of school districts with the highest share of Black students is \$2,347; the shortfall for the school districts with the lowest share of Black students is only \$745.

The Democratic proposal reduces the shortfall in state funding per student in the school districts with the highest share of Black students by \$1,088 per student, dropping it to \$1,259 per student. The shortfall in state funding per student for school districts with the lowest share of Black students is reduced by \$557 per student to \$188 per student.

Table 2

### Districts with highest share of Black students see greatest reduction in state funding shortfall per student

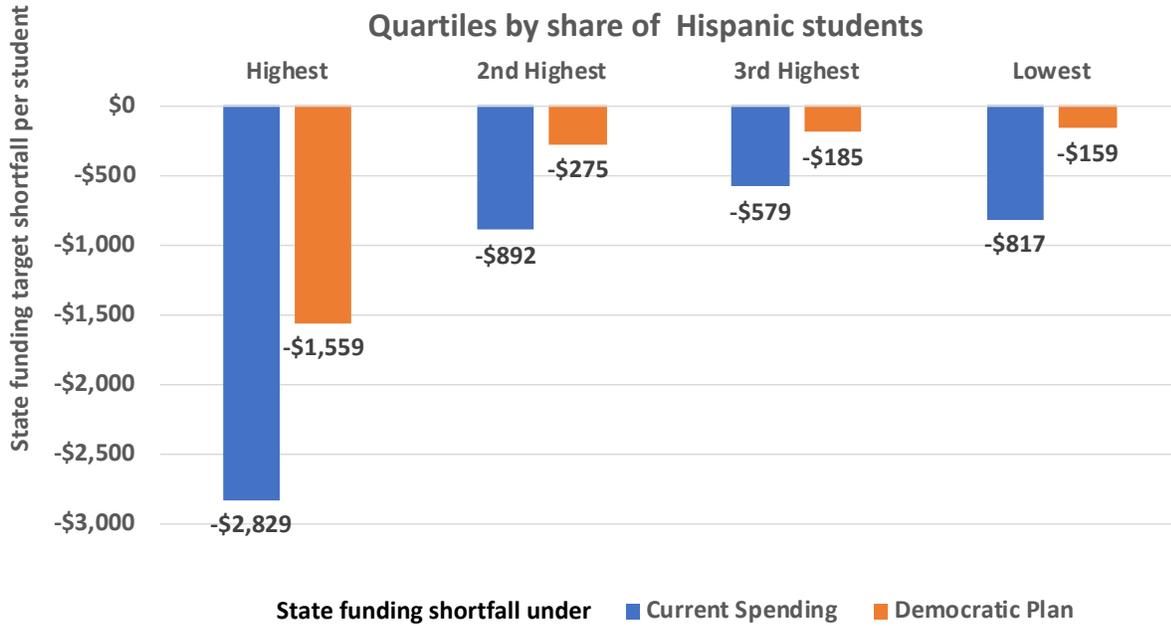


The Democratic proposal’s impact on inequity in school funding on the basis of the Hispanic ethnicity is shown in Table 3. Under current funding, the shortfall in state funding per student for the quarter of school districts with the highest share of Hispanic students is \$2,829. However, the shortfall for the school districts with the lowest share of Hispanic students is only \$745.

The Democratic proposal reduces the shortfall in state funding per student in the school districts with the highest share of Hispanic students by \$1,270 per student, dropping it to \$1,559 per student. The shortfall in state funding per student for the lowest poverty school districts is reduced by \$657 per student to \$159 per student.

Table 3

### Districts with highest share of Hispanic students see greatest reduction in state funding shortfall per student



These are striking results, both in what they achieve and, frankly, in what they don't achieve. The Democratic plan would dramatically reduce inequity and inadequacy in school funding. That an additional \$1.85 billion in funding would still leave K-12 students in school districts with high levels of poverty and high shares of Black and Hispanic students underfunded points to how radically unfair Pennsylvania's school funding is today.

That being said, the Democratic plan is a major step forward, which all members of the General Assembly should applaud.