



Funding Public Schools in Pennsylvania: Law and Policy

The State Budget and State Law

Most of the "law" on school funding in Pennsylvania is found in the annual state budget, which is adopted by the *General Assembly* around June 30th of each year for the next fiscal year (which begins July 1).

The budget tells how much the state will spend on public education, how the money will be distributed among the state's school districts, and what programs and services the money will be used to support. The process of developing the budget actually begins almost a year in advance. During the summer and fall, the Governor works with each state agency to develop a budget proposal. Then, in February, the Governor presents his proposal to the *General Assembly*. The *General Assembly* makes changes as it sees fit, and eventually adopts a final budget. There are negotiations all along the way.

- Information about the annual state budget for public education, from the Pennsylvania Department of Education --
http://www.pdeinfo.state.pa.us/education_budget/site/default.asp
- The complete state budget bill for 2005-06 --
<http://www2.legis.state.pa.us/WU01/LI/BI/BT/2005/0/HB0815P2568.pdf>

Additional detail on how state education dollars can be spent is found in the Public School Code (Title 24, PA Statutes). An up-to-date version can be found at a law library. Most (but not all) of the provisions concerning how state money can be spent are found in Article XXV.

The Pennsylvania Constitution states, at Article III, Sec. 14, that: "The General Assembly shall provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth."

However, in two major cases decided in 1999, the Pennsylvania Supreme Court declined to enforce this requirement. Thus, the potential role of the courts in the school finance area is, at best, unclear.

- *Marrero v. Commonwealth of PA*
(<http://www.courts.state.pa.us/OpPosting/Supreme/out/J-260-98mo.pdf>)
- *PA Association of Rural and Small Schools v. Commonwealth of PA*
(<http://www.courts.state.pa.us/OpPosting/Supreme/out/J-261-98pco.pdf>)

Policy Issues on School Funding

There are many policy questions in the area of school funding. Here are a few of the key issues, briefly summarized.

- **Adequacy.** Like most other states, Pennsylvania has adopted academic standards, which define the skills and knowledge that students must acquire in order to graduate. The state has also defined the level of proficiency that each student must achieve. But Pennsylvania has never tried to figure out what it would cost to provide each student with a fair opportunity to achieve at these levels. Thus, we currently have no way of answering the "adequacy" question -- that is, the question of how much money schools actually need. ELC's view is that Pennsylvania should follow the lead of the 30+ other states that have performed "costing-out" studies aimed at answering this question.
 - For a list, and more information on costing-out studies, visit the Campaign for Fiscal Equity at <http://www.schoolfunding.info/>.
- **Equity.** Many people would agree that huge variations in funding and spending from one school to the next are unacceptable (and we currently have such variations in Pennsylvania, where some districts spend 2-1/2 times more per student than others). But how much variation is reasonable? And assuming we agree on the need to smooth out some of the differences, what is the best way of accomplishing that? How should students' special needs (community poverty, disabilities, need to learn English) fit into the equation? ELC believes that, although Pennsylvania's system does make some allowances for special needs, it does not do enough.

- Support for this view is found in Education Week's "Quality Counts" report, which gives Pennsylvania a C- for equity, placing it below most other states. For more information, see <http://www.edweek.org/rc/articles/2004/10/15/qc-archive.html>
- **State share.** What is the right balance between state and local funding for schools? When Pennsylvania's public school system was created in the 1830's, the law limited the state share to one-third. By the 1960's, the law had changed to require a state share of at least 50%. However, in the 1980's, the law was changed to eliminate any specific figure. As a result, since 1974, when the state share was 55%, the figure has steadily declined to today's 36%. This is a relatively low number compared to most other states, and in ELC's view, it is too low.
- **Local control.** What is the right balance between state and local control of schools? Traditionally, school boards, consisting of locally elected officials, have had the greatest say in how schools operate. Beginning in the early 1980's, however, the federal and state governments sought to exert greater influence over schools, and we now have more state and federal mandates regarding curriculum, assessment, facilities, and other aspects of education. Having issued these mandates, should the state and federal governments be assuming more of the cost of school services? (ELC's view is yes.)

Additional sources of information on these policy issues:

- ELC's report, *Shortchanging Our Children: Opportunity Gaps in Pennsylvania* - <http://www.elc-pa.org/pubs/downloads/english/schoolreports/reports.htm>
- The *Pennsylvania School Finance Primer* published by the Education Policy and Leadership Center - www.eplc.org/reports.html
- *School Finances 101* by the Pennsylvania Department of Education -- http://www.pde.state.pa.us/schoolfinance101/site/default.asp?k12_financesNav=|4339|

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