



## 10 Criteria for Evaluating K-12 Education Funding in Pennsylvania

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Strong public schools are important for creating a successful future for both individuals and whole communities. Formula proposals or state budgets affecting education funding should be evaluated based on the following ten criteria. Any proposal or budget that fails to meet these criteria will not serve the interests of all students, especially disadvantaged students, and should not be adopted.

1. **CONSTITUTIONAL STANDARD.** Does it “provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth”? *Constitution of Pennsylvania, Article III, Section 14.*

In 1999, the Pennsylvania Supreme Court decided two major cases (*Marrero* and *PARSS*) and declined to enforce the “thorough and efficient” standard against the General Assembly. Without any oversight by the courts, the legislature has not been held accountable for living up to its constitutional responsibilities.

2. **FORMULA DISTRIBUTION.** Does it use an objective formula to distribute funding in a manner that is internally uniform and consistent for all school districts, rather than using selective political influences and favors for some districts? (The most common forms of non-objective funding include hold-harmless spending, minimum increases, multiple formulas aimed at specific districts, and new line items added for public relations purposes.)

Since 2000, the General Assembly has built into the base level of education funding over \$250 million through minimum increases and an additional \$200 million in hold-harmless spending for selected districts. The 2011-12 state budget included five different formulas for basic education funding, with one formula for all districts and four additional formulas created to drive funding to selected districts.

3. **REAL COSTS.** Is it based on real costs for educating students with different needs in each school district throughout the state? For example, is it directly connected to the number of students in each district and the measurable additional needs of students in poverty, children with disabilities, and English language learners? And is it connected to the distinct needs of school districts that are rural, urban, very small, or fast growing?

The 2011-12 state budget used two separate and parallel sets of variables and weights. The first set of variables and weights, which drove out most funding for basic education, was originally adopted in 2008 and is based on research about real costs (the Costing-out Study). The second set of variables and weights, which drove out \$100 million in basic education funding, used completely different factors that were not based on real costs but were designed by the Corbett Administration to add up to the chosen total of \$100 million.

	<b>Student Count</b>	<b>Poverty</b>	<b>Learning English</b>	<b>District Size</b>
<b>2008 Formula</b>	Total ADM <i>times</i> Base Cost of \$8,003	Count <i>times</i> Weight of 0.43 <i>times</i> Base Cost	Count <i>times</i> Weight of 1.4 - 2.4 (small districts) <i>times</i> Base Cost	Count <i>times</i> Weight of 0.3 for small districts <i>times</i> Base Cost
<b>Corbett's \$100 million</b>	Total ADM <i>times</i> \$100	Count <i>times</i> \$20 or \$30 (over 40% concentration)	Count <i>times</i> \$30 or \$20 (over 1% concentration)	Count <i>times</i> \$5 or \$10 (1,000 ADM or less)

4. **QUALITY OUTCOMES.** Is it calculated to provide spending levels that allow all students to meet state academic standards and to graduate with the knowledge and skills needed for good citizenship, productive employment, and life-long learning?

A fair discussion should take place about whether the Costing-out Study recommended accurate and appropriate levels of funding. But there should be no dispute that the Study was correct in attempting to evaluate spending levels based on the real needs of students and schools to meet state academic standards and to improve student results.

5. **ADEQUACY.** Does it provide all students in all communities with the funding needed to have a quality education?

Money matters to student achievement. Test scores and graduation rates in high-spending school districts are much higher than in low-spending districts. Schools without adequate resources fail to meet student needs because they cannot provide an effective teacher in every classroom, a well-rounded and challenging curriculum, up-to-date science labs and libraries, tutoring and counseling for struggling students, and the supports and services needed for students in poverty, children with disabilities, and English language learners.

6. **EQUITY.** Does it reduce the gap between the lowest-spending districts and the highest-spending districts, so that every child in public school has a fair and comparable opportunity to learn?

Some districts still spend less than \$9,000 per student while others spend more than \$19,000. Many of the low-spending districts have high numbers of disadvantaged students and cannot meet their educational needs, despite very high local property taxes. Even a relatively small spending gap of \$2,000 per student adds up to over \$50,000 per classroom. This kind of discrepancy between rich and poor districts has a direct impact on whether children receive the same kind of opportunity to learn.

7. **ACCOUNTABILITY.** Does it require the state to provide the funding, standards, oversight, and technical support needed by all districts? Does it require local districts to invest state funding in a fiscally responsible manner to improve student outcomes using proven best practices? Is accountability achieved with the right balance of state and local control?

The 2008 Basic Education Formula included a strong system called "Accountability to Commonwealth Taxpayers", under which PDE approved written spending plans from districts receiving the biggest

increases. This system was repealed as part of “mandate relief” in 2011, leaving no accountability system in place for Basic Education Funding.

8. **TRANSPARENCY AND PREDICTABILITY.** Is the state funding system codified in state law, understandable, and consistent from year to year, so that local school officials can anticipate the level of state support and make appropriate long-term plans?

Pennsylvania has not had a stable funding system since 2008, 2009, and 2010. Both prior to and after this brief three-year period of stability, the funding system has been either radically changed from year to year or based primarily on political considerations.

9. **STATE RESPONSIBILITY.** Does it increase the state share (percentage) of total public school spending, compared to the share coming from local communities?

The state share of all funding for public education has fallen from 55% in 1975 to 37% in 2011. Many communities are not able to make up the difference. Currently, only five states have a lower state share. As a result, 44% of total education funding in Pennsylvania now comes from local property taxes compared to the national average of 29%. The low state share unfairly affects the quality of education in many low-income, growing, and rural communities, despite the statewide total spending level which is close to the national average.

10. **PROPERTY TAXES.** Does it reduce the percentage of total school spending coming from property taxes, while ensuring that the overall tax burden in all communities is fairly distributed through sales taxes, income taxes, and other revenue sources? Does it end the state subsidy of disproportionately low property taxes in selected communities?