

Funding Public Schools in Pennsylvania: Law and Policy

Updated November 2013

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.

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.schoolfunding.info/states/pa/MARRERO.pdf>

- *PA Association of Rural and Small Schools v. Commonwealth of PA*

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. In 2006, Pennsylvania conducted, for the first time, a study to determine the resources necessary for all students to meet those academic standards. That study showed an additional investment of \$2,400 per student was necessary for all students to meet the state's academic standards.

Pennsylvania adopted a funding formula in 2008 with a goal of phasing in that additional funding and closing that adequacy gap. Both of those tenets, however, have since been abandoned. Since there is no current effort to determine actual costs, it's difficult to know the state's current adequacy gap, and therefore difficult to establish an accurate funding goal to meet student needs.

- **Equity.** Many people would agree that huge variations in funding and spending from one school to the next are unacceptable. Currently, some Pennsylvania school districts spend nearly three times more per student than others. A fair, accurate, and transparent funding formula — one that takes into account different student

characteristics, such as poverty, English language proficiency, and disability, and different school district characteristics, such as local tax effort and cost of living — is designed to drive state education funding to the neediest students and schools and reduce the funding inequities. Most other states have recognized this and use a funding formula to distribute their education dollars. Pennsylvania is currently one of only three states that does not.

- **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 1960s, the law had changed to require a state share of at least 50 percent. However, in the 1980s, the law was changed to eliminate any specific figure. As a result, since 1974, when the state share was 55 percent, the figure has steadily declined. Today, Pennsylvania's state share of school funding is 34 percent. Only eight states contribute less. This leaves the vast majority of school funding to local taxpayers and places a heavy burden on local communities.

- **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 1980s, 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, the state and federal governments should be assuming more of the cost of school services.

For additional sources of information on these policy issues read ELC's 2013 report:

[*Funding, Formulas, and Fairness.*](#)