

November 10, 2014

Executive Summary

Lawsuit: Pennsylvania School Funding Unconstitutional

Six school districts from across the Commonwealth, an association of 150 rural and small schools, as well as parents, children, and the Pennsylvania NAACP, filed a lawsuit today alleging that Pennsylvania's current school funding arrangement violates the Pennsylvania Constitution by denying students an equal opportunity to receive an adequate education. The lawsuit was filed in Pennsylvania Commonwealth Court and names the Governor, legislative leaders, the Secretary of Education, and the State Board of Education as defendants. It is the first school funding litigation initiated in Pennsylvania in over a decade.

The Pennsylvania Constitution requires the General Assembly to "provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth." In the first cause of action, the complaint alleges that the defendants have violated that provision by adopting an irrational means of financing public education that drastically underfunds school districts across the Commonwealth and ignores the state's own funding targets.

According to the complaint, the Commonwealth has known for nearly a decade that Pennsylvania's schools are badly underfunded. In 2006, the State Board of Education conducted a comprehensive statewide costing-out study to determine the "basic cost per pupil to provide an education that will permit a student to meet the State's academic standards and assessments." The study concluded that 95% of the Commonwealth's school districts required additional funding, totaling \$4.4 billion. In response, the General Assembly approved a bill that established funding targets for each school district and a formula for distributing education funds in a manner that ensured all students would have the resources necessary to meet state academic standards. Beginning in 2011, however, state officials abandoned the funding formula, reduced funding to districts by more than \$860 million, and passed legislation to prevent local communities from increasing local funding.

The complaint alleges that these actions have had devastating consequences for students, school districts, and the future of the Commonwealth. Districts across the state are unable to provide students with the basic elements of a quality education, including sufficient numbers of qualified teachers and staff, appropriate class sizes, suitable facilities, and up-to-date text books and technology. Plaintiff school districts, the districts that individual plaintiffs attend, as well as many other districts across the Commonwealth, are drastically underfunded—some by more

than \$4,000 per student per school year. Lacking these essential resources, many students are unable to meet even basic academic standards. Specifically, many students are unable to achieve basic proficiency on the Pennsylvania System of Standardized Assessment exams, which measure student performance in reading, writing, math, and science. Nor are they prepared to pass the new, more rigorous Keystone Exams, which measure student proficiency in math, science, and English, and will soon be a requirement for graduation from high school. Overall, more than 300,000 of the approximately 875,000 students tested in Pennsylvania were unable to meet state standards last year. Thus, by the Commonwealth's own standards, more than one-third of all Pennsylvania's children are receiving an inadequate education and are unprepared to enter the workforce or pursue post-secondary education. Plaintiffs allege that this underfunding and consequent underperformance has created a system of public education that is neither "thorough" nor "efficient," nor "serves the needs of the Commonwealth."

In a second cause of action, the complaint alleges that the current way in which the Commonwealth funds public education denies students equal educational opportunities by creating gross funding disparities between wealthy and poor school districts. Because the level of state spending is low, Pennsylvania's school funding arrangement depends heavily on local property taxes. In addition, state funding is distributed to districts on an irrational, ad-hoc basis. As a result, per-pupil spending on education ranges from as little as \$9,800 per student in school districts with low property values and incomes to more than \$28,400 per student in districts with high property values and incomes, according to the Pennsylvania Department of Education's 2012-13 data. As a result, children in property- and income-poor districts are being denied the opportunity to receive an adequate education, unlike their peers in property- and income-rich districts.

As a remedy for these constitutional violations, the lawsuit asks the court to declare the current funding system unconstitutional and to require the state to establish a new funding arrangement that provides adequate, equitable, and rational funding to school districts to enable all students to meet state academic standards and participate meaningfully in the economic, civic, and social activities of our society.