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Education Funding in Pennsylvania: Inadequate, Inequitable & Unconstitutional



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Education Law Center PA

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About us

The **Education Law Center**'s mission is to ensure access to a quality public education for all children in Pennsylvania. We pursue this mission by focusing on the most underserved students: children living in poverty, children of color, children with disabilities, children in the foster care and juvenile justice systems, children experiencing homelessness, English learners, LGBTQ and gender-nonconforming students – and many who are at the intersection of these identities.

The **Public Interest Law Center** uses high-impact legal strategies to advance the civil, social, and economic rights of communities in the Philadelphia region facing discrimination, inequality, and poverty. We use litigation, community education, advocacy, and organizing to secure their access to fundamental resources and services.

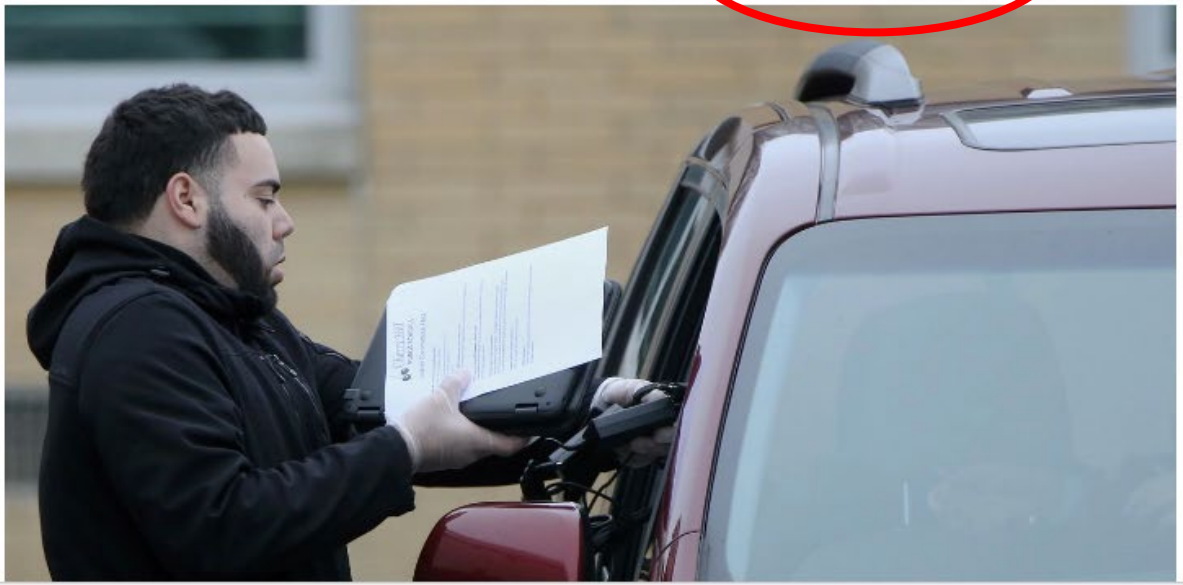
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What the pandemic reveals

As coronavirus closes schools, wealthier districts send laptops home with students. What about poorer districts?

by Maddie Hanna, Kristen A. Graham and Melanie Burney, Updated: March 18, 2020



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Who said it?

"Pennsylvania . . . has significant financial inequities in its system of school funding with one of the largest gaps of any state in the country in per-child spending between the commonwealth's poorest and wealthiest districts."

"The commonwealth also has some of the most significant reading achievement gaps between low-income students and students of color and their white, more affluent peers . . . ."

"Similar gaps are evident with respect to high school graduation rate. Across the commonwealth, nine in 10 white students graduated high school in four years, compared with only seven in 10 African American and Latino students."

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pennsylvania
DEPARTMENT OF EDUCATION

Every Student Succeeds Act

Pennsylvania Consolidated State Plan



August 1, 2019

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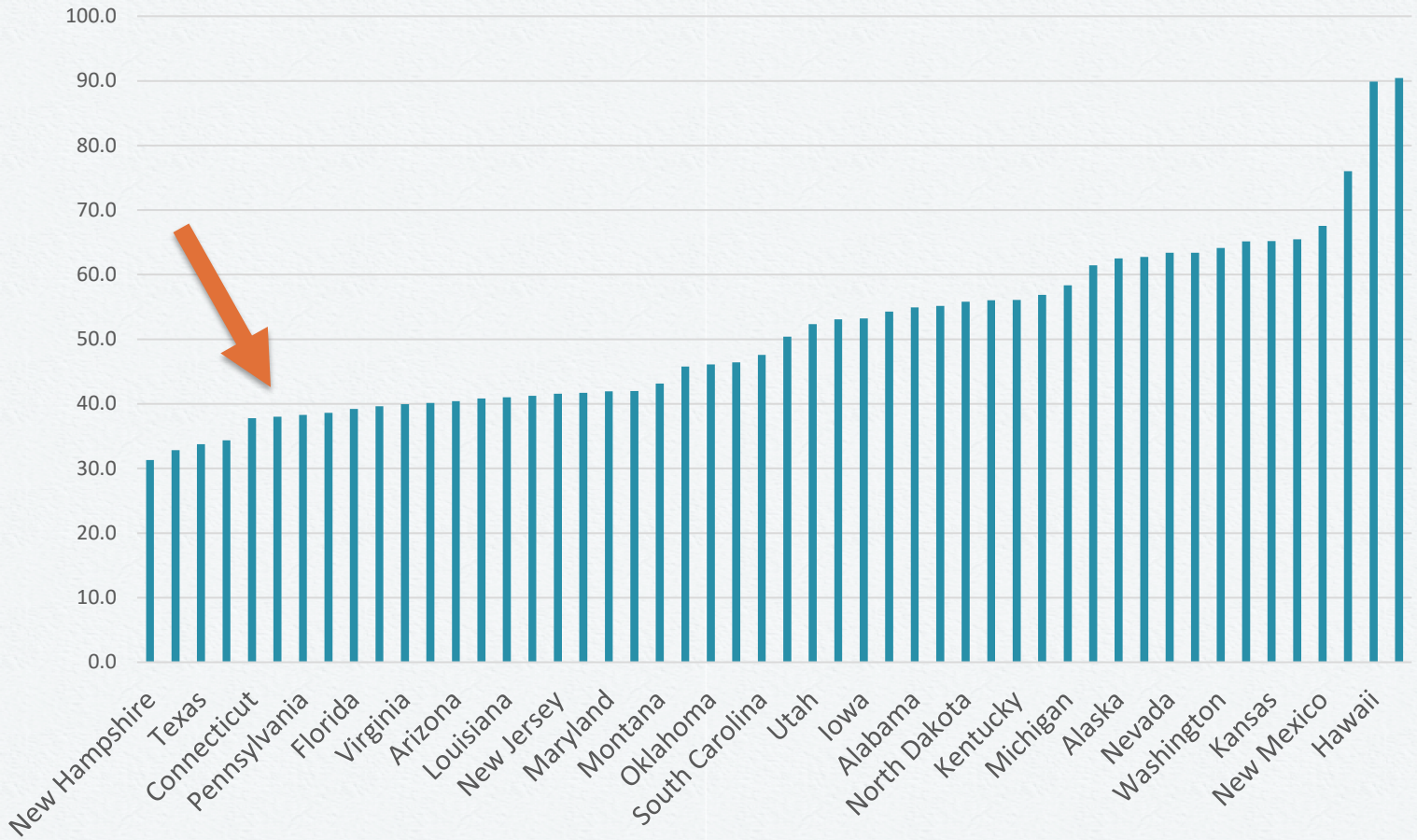
The long term problem

1. No goal of fully funding schools
2. Low relative state contribution
3. Most funding not based on formula
4. Low wealth communities need the most, try the hardest, have the least

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Percent of a State's Contribution to Education



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Tax disparity in Delaware County

District	Tax burden: Equalized Mills	Local Revenue per Student
Marple Newtown SD	13	$21,004.74
Radnor Township SD	14.8	$22,281.55
Rose Tree Media SD	17.3	$19,762.02
Haverford Township SD	20	$15,500.14
Penn-Delco SD	21.1	$12,524.00
Springfield SD	22.5	$14,822.86
Chester-Upland SD	22.7	$4,138.31
Garnet Valley SD	22.8	$18,588.25
Interboro SD	24.6	$12,576.07
Ridley SD	27	$13,072.52
Upper Darby SD	27.8	$8,291.43
Wallingford-Swarthmore SD	28.3	$17,283.61
Chichester SD	31.2	$14,697.63
Southeast Delco SD	31.5	$8,650.48
William Penn SD	34.6	$8,815.20
Philadelphia	24.5	$7,763.85

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Local effort is not the problem: New Hope v. Reading

New Hope-Solebury

- Tax rate: 12.6 mil
- Local revenue per child: $25,504
- State revenue per child: $4,640
- State/local per child: $30,144

Reading S.D.

- Tax rate: 25.9 mil
- Local revenue per child: $2,542
- State revenue per child: $10,714
- State/local per child: $13,256

Difference per child = $16,888

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Which district needs more?

New Hope S.D.	Reading S.D.
• **9.7%** Students in Poverty	• **94.7%** Students in Poverty
• **2.8%** English Learners	• **26.3%** English Learners

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1991: School Funding Formula Ice Age

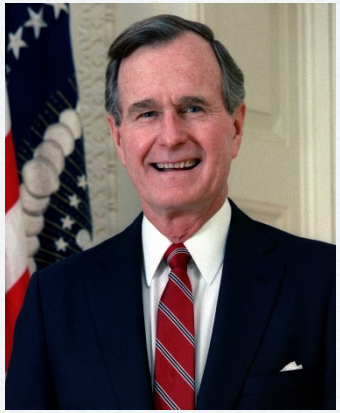


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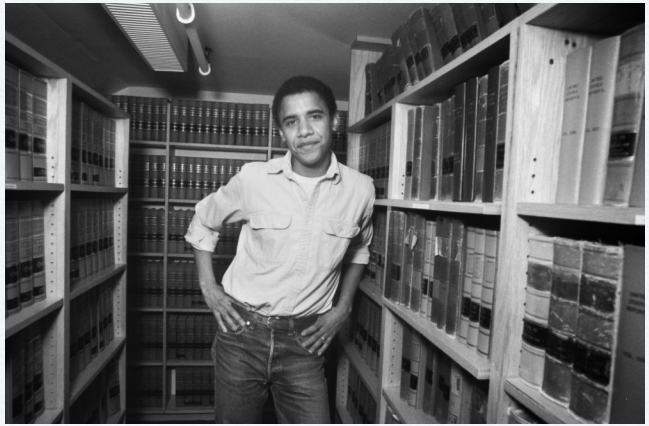
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How did we get here?









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Harrisburg during the last six years

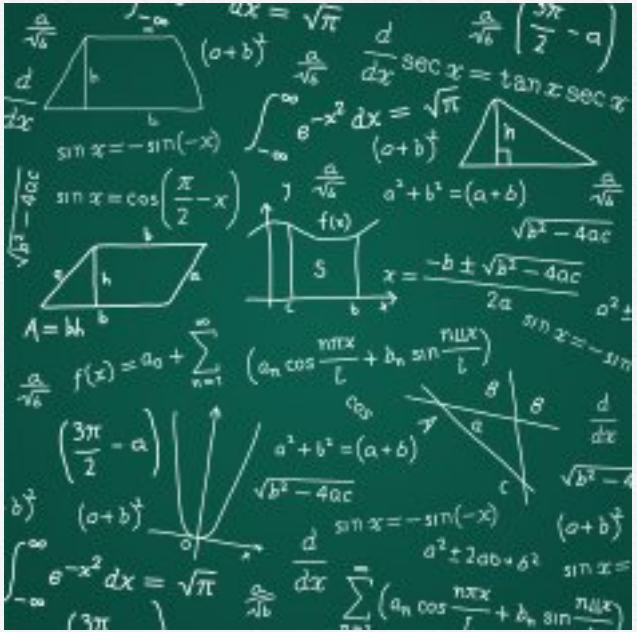
- Over six years state appropriates $698 million increase for K-12 basic education funding
- **Counting inflation, a decrease of $101 million for the entire state**
  - **Difference between high-wealth and low-wealth districts increases**

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What is the Fair Funding Formula?

- Enacted in 2016, the formula distributes increases in state funding to school districts based on “weighted students”
- Takes into account population, students in poverty, English learners, and other factors
- Only how to split the pie—not how big the pie should be



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What is the Fair Funding Formula?

Weaknesses:

- Purposefully excludes total funding needed, so only looks at relative needs of districts
  - A zero sum game
- Only applies to funding added after its adoption, so inequities are locked in
  - Only 11% of funding run through formula
  - $1.2 billion worth of inequity baked in

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The Hold Harmless problem

Rank	School District	Change if no hold harmless	Per Student change if no hold harmless
1	York City SD	$46,590,075	$5,726
2	Allentown City SD	$101,818,136	$4,941
3	Reading SD	$87,238,114	$4,730
4	Aliquippa SD	$5,725,630	$4,671
5	Harrisburg City SD	$30,338,084	$3,952
6	Greater Johnstown SD	$12,041,958	$3,951
7	Columbia Borough SD	$5,675,461	$3,800
8	Pottstown SD	$12,500,971	$3,695
9	Scranton SD	$36,573,856	$3,611
10	Wilkes-Barre Area SD	$26,945,450	$3,457

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The Hold Harmless problem

Rank	School District	Change if no hold harmless	Per Student change if no hold harmless
499	South Side Area SD	-$8,282,789	-$7,892
498	Avella Area SD	-$3,557,860	-$6,484
497	Purchase Line SD	-$5,545,121	-$6,265
496	Shade-Central City SD	-$2,455,643	-$5,723
495	Allegheny-Clarion Valley SD	-$4,010,416	-$5,650
494	Meyersdale Area SD	-$4,719,036	-$5,579
493	Penns Manor Area SD	-$4,613,307	-$5,536
492	Johnsonburg Area SD	-$3,180,256	-$5,490
491	Western Beaver County SD	-$4,089,760	-$5,399
490	Harmony Area SD	-$1,459,671	-$5,377

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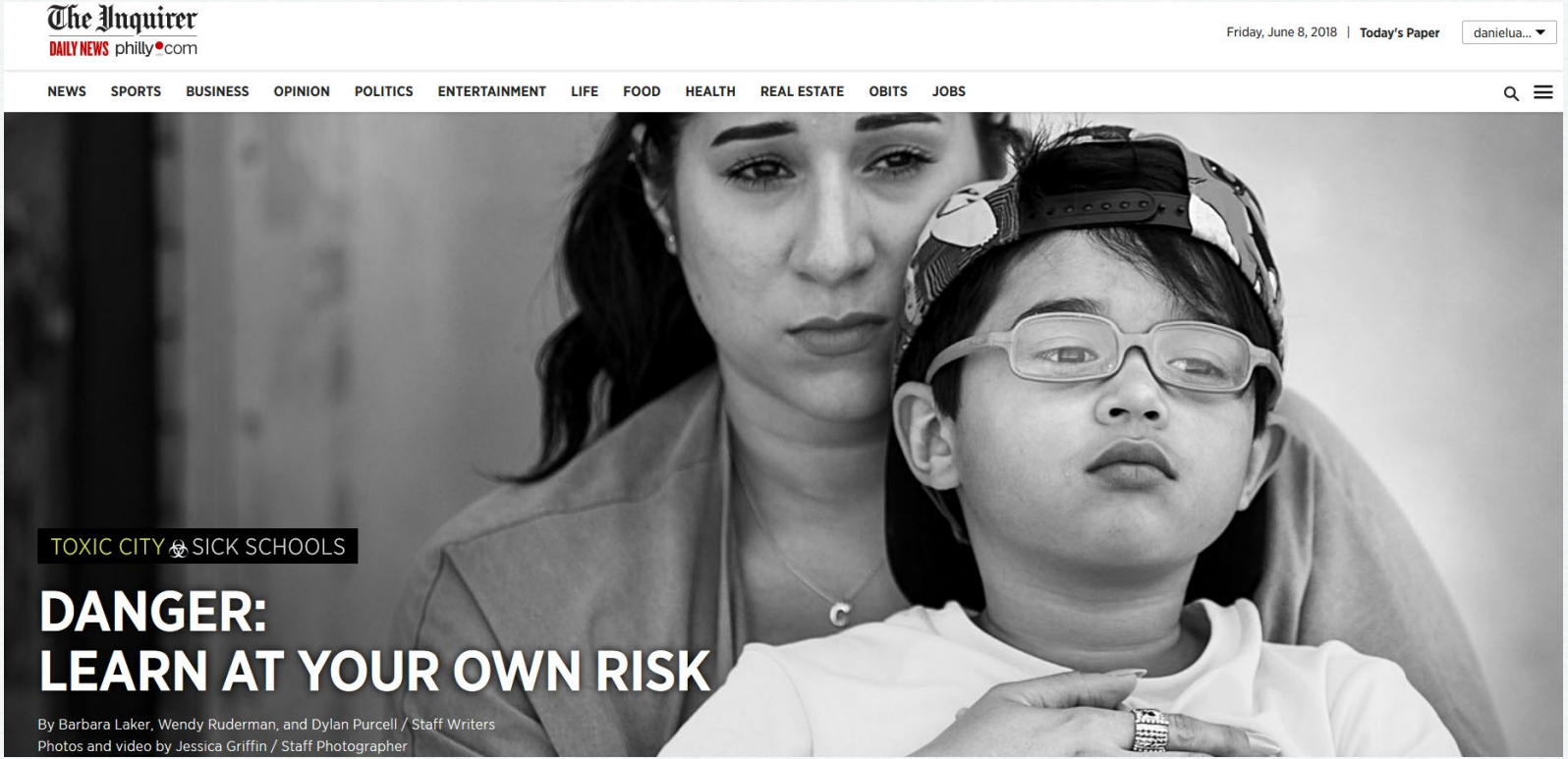
Sending all state funding through the formula does not fix the problem

- The formula does not set a benchmark for what students need, or how much the state *should* contribute
  - William Penn SD would get $931 more per student if there was no hold harmless
  - William Penn SD is $4,836 per student behind the target for adequate funding in state law
- It would not change a system that is overly reliant on local taxpayers
- Education funding shouldn't be a zero-sum game

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Why this matters



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Why this matters

Statewide PSSA results show our children are struggling:

- 8th grade Math: 67.5% score below proficient, and 39.7% score below basic.
- 8th grade English Language Arts: 41.1% score below proficient,
- 8th grade Science: 47.4% below proficient

Statewide Keystone results show the same:

- 34.4% below proficient in Algebra, 27.3% below proficient in Literature, and 36.5% below proficient in Biology.

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Why this matters

- College attendance and graduation is much lower for all graduates from low-spending districts.
- College attendance and graduation of low-income students is higher from high-spending districts than low-spending districts.



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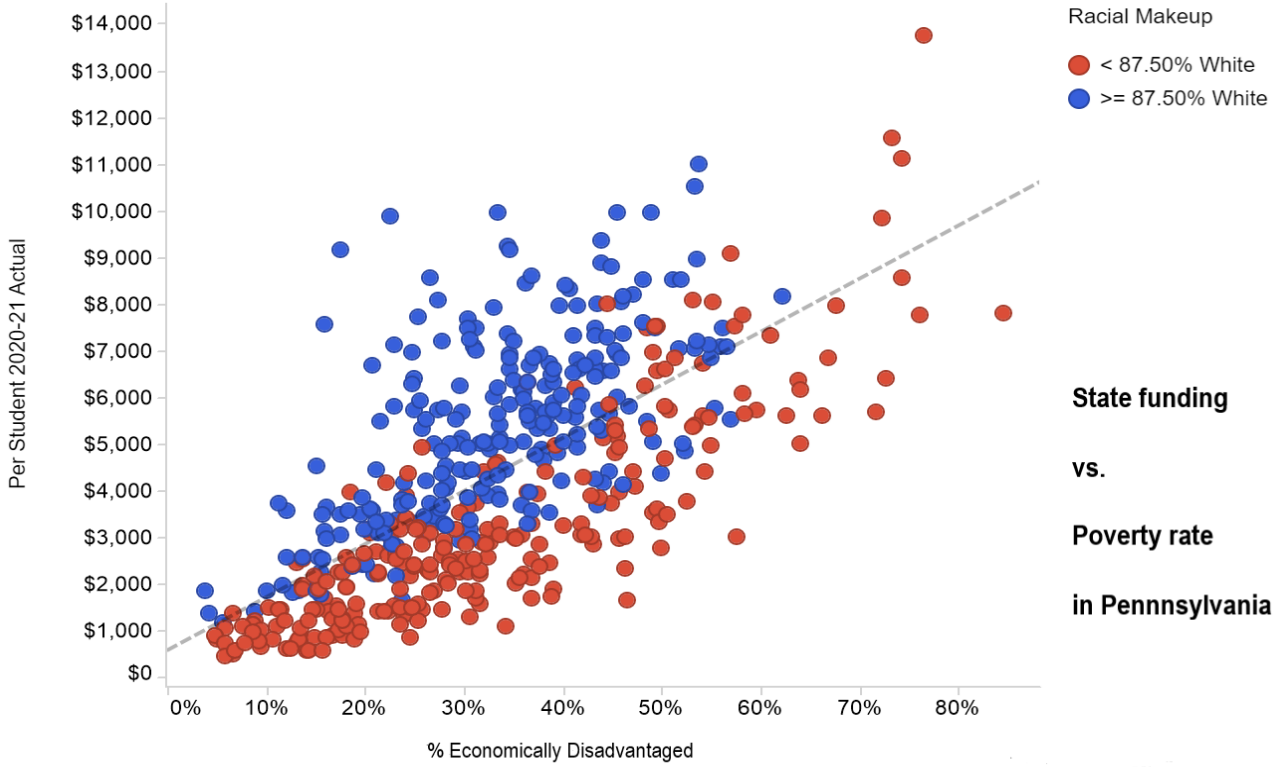
Opportunity gaps abound

- Multiple studies have shown that Pennsylvania has larger gaps in student outcomes by race and economic background than almost any other state.

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Perpetuating racial inequity



Source: David Mosenkis, POWER

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William Penn SD et al. v. Pa. Dept. of Education et al.

- **Filed**: November 2014
- **Court:** Pennsylvania Commonwealth Court
- **Count I:** "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."

  -Article III, Section 14, Constitution of the Commonwealth of Pennsylvania
- **Count II:** Equal Protection



The Petitioners

















- Parents in Wilkes-Barre, William Penn, Greater Johnstown, and Philadelphia

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The Respondents









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We are asking the court to:

- ✓ Declare that the current system of funding our schools is unconstitutional
- ✓ Order the legislature to cease using an inadequate funding scheme
- ✓ Order the legislature to create and maintain a funding system that will enable all students to meet state academic standards

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What do we need to prove?

- Education Clause (Adequacy):
  - What is the Constitutional Standard?
  - Has it been met? And how will you know?
  - Does it require more money to meet it? Or is it the students' fault?
- Equal Protection:
  - Are the disparities in funding justified?

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Respondents' arguments

- Pennsylvania is already a high spender, well above the national average, & students score high on NAEP
- The new formula solved all problems
- Failing students have access to same programs as successful students
- Funding does not explain outcomes in Pa.

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Lawsuit status: Where are we now?

- Discovery
  - 100,000+ pages of documents
  - 70+ depositions
- Expert reports & rebuttal reports exchanged
- Summary Judgment motions defeated
  - State Board of Ed is an indispensable party
  - Parents of graduated students are not mooted out because of “public importance”
- Trial tentatively scheduled: September 9, 2021

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We will show:
Race & class disparities



- PA's school districts are among the **most segregated by race and class** of any in the US.
- Districts receiving the most revenue are disproportionately white. Districts receiving the **least revenue are disproportionately Black and Latinx**
- **50% of Black students & 40% of Latinx students** attend PA's lowest-wealth districts, which are among the state's most underfunded.
- One study found that PA school districts with the fewest white students are shortchanged in state funding by almost $2,000 per pupil, while the **districts with the most white students receive about $2,000 more per pupil** than their fair share under the funding formula. [Mosenkis]

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We will show:
All students can learn & money matters



- Poverty, if unmitigated, can have big impact on child development & student achievement.
- Research is clear that when schools are given resources to counter effects of poverty – high quality preschool, small class sizes, highly qualified teachers, culturally relevant curriculum, access to counselors, social workers – academic outcomes improve significantly.

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So how much do districts need?

State Law on Adequacy

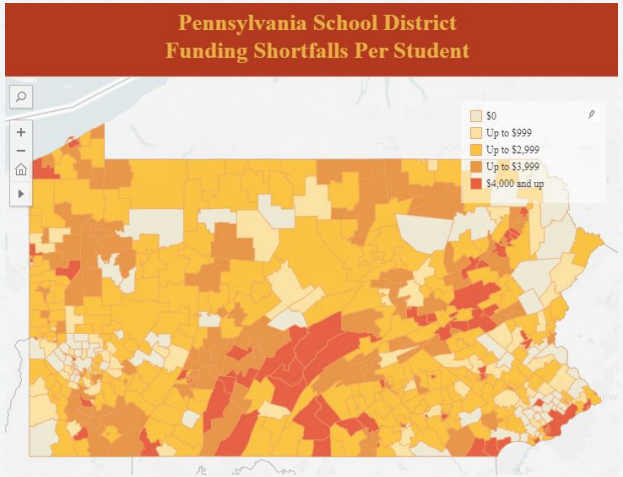
- **"(b)** The Department of Education shall determine an adequacy target for each school district by calculating the sum of the following…"
- Adequacy targets calculated for 2009, 2010, and 2011
  - Shortfall, state and local in 2011: $4.53b

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Adequacy gap in 2018-19: $4.6 billion

- Calculated by Prof. Matthew Kelly of Penn State in an expert report
- More than half of all school districts are more than $2,000 behind per student
- Find the per-student gaps in each school district at **FundOurSchoolsPA.org**



- Lancaster: $4,510
- Greater Johnstown: $4,194
- Wilkes Barre: $3,797
- William Penn: $4,836
- Shenandoah Valley: $7,027
- Panther Valley: $5,961

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A conservative estimate

- Based on less “rigorous” academic standards used in 2005
- Doesn’t account for $3 billion pension cost spike or charter costs
- With new BEF weights, increases to $4.8 billion
- Doesn’t include Special Ed or facilities

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Sending all state funding through the formula does not fix the problem

- One-quarter of all shrinking districts have 20% + poverty rates
- Big Beaver Falls Area SD, Beaver County
  - 75% economically disadvantaged students
  - $3,451 per student adequacy shortfall
  - Would lose $1,106 per student if hold harmless ended with no additional funding
- Iroquois SD, Erie County
  - 72% economically disadvantaged students
  - $3,871 adequacy shortfall
  - Would lose $3,042 per student if hold harmless ended with no additional funding

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Proposals for new funding

Wolf 2021 Budget Proposal

- $1.35 billion in BEF
  - Targeted heavily to underfunded districts
- $200 million in new SpEd funding
- $30 million Pre-K and Head Start

Level Up PA Proposal – H.B. 1167

- 100 school districts that are most underfunded (fewest resources relative to high student need)
- $100 million supplemental fund, distributed through BEF formula

http://leveluppa.org/

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American Rescue Plan

- $5 billion for schools across Commonwealth
- Temporary, one-time federal funds requires cautious spending
  - A new fiscal cliff?
- Does not address long-term problems caused by Pennsylvania's system

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What can the lawsuit accomplish?

- Studies show that funding lawsuits:
  - Bring about more revenue than a state would otherwise have raised
  - Increase academic achievement and lifetime successes
- Break political impasse over funding by invoking independent process based on cost analysis

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What can you do?

FundOurSchoolsPA.org

FUND our SCHOOLS PA

PASchoolsWork.org

PA SCHOOLS WORK

INVEST IN STUDENTS, SECURE OUR FUTURE

- Sign up to stay informed about the case, advocacy campaigns, & calls to action

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FUND our SCHOOLS PA

Take action!

- Volunteer to share your school funding story at *FundOurSchoolsPA.org/GetInvolved*
- Write a letter to the editor of your local newspaper
- Post/re-post about school funding on social media
- Email and call your PA legislators
- Organize a presentation for organizations

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Contact us

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THANK YOU!