

# Education Funding in Pennsylvania: Inadequate, Inequitable & Unconstitutional



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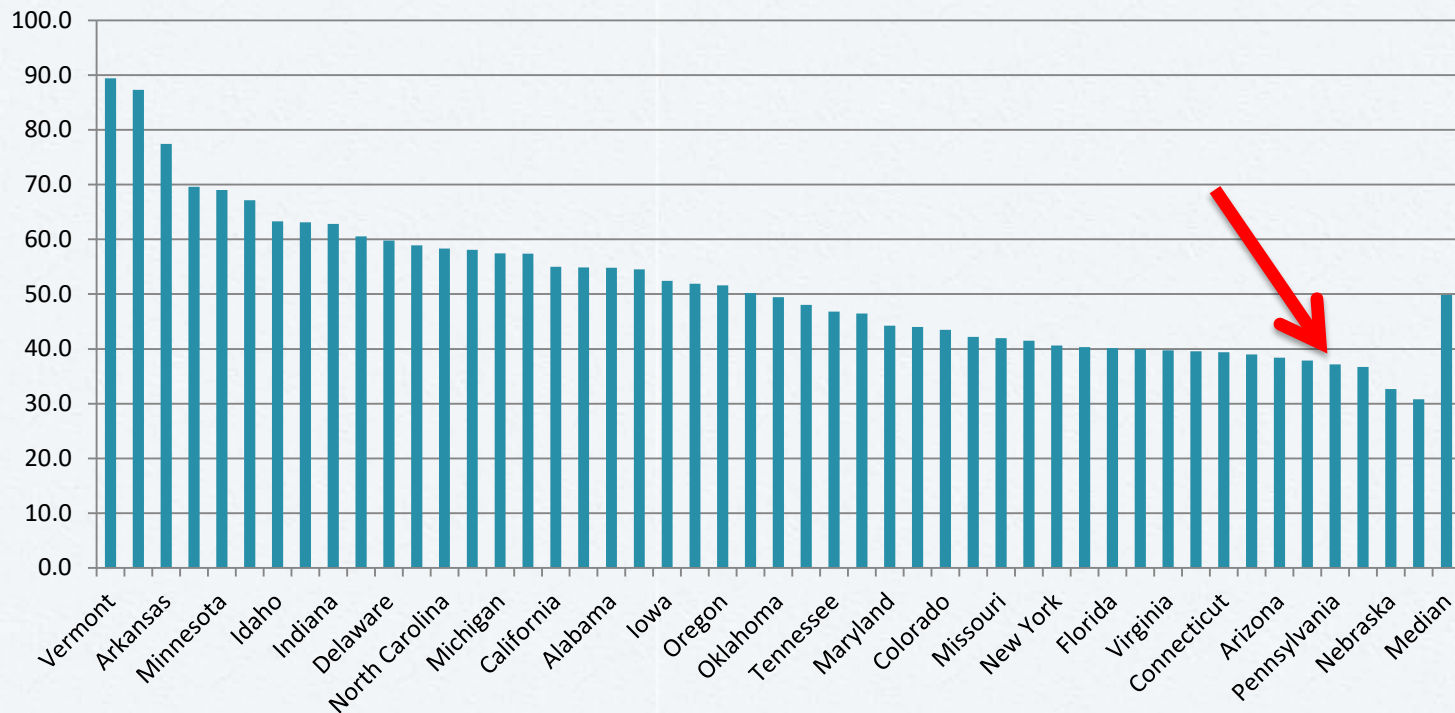
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# About Us

- 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.

## Percent of a State's Contribution to Education



# Local Effort is Not the Problem: New Hope v. Reading

## New Hope-Solebury

- Tax rate: 12.3 mil
- Local revenue per child:  
\$22,155
- State revenue per child:  
\$4,258
- State/local per child:  
\$26,414

## Reading S.D.

- Tax rate: 24.9 mil
- Local revenue per child:  
\$2,419
- State revenue per child:  
\$10,108
- State/local per child:  
\$12,527

**Difference = \$13,887**

# Which District Needs More?

- |   |  |
|---|--|
| • New Hope S.D.                         | • Reading S.D.                           |
| • <b>8.8%</b> Students in Poverty       | • <b>90.9%</b> Students in Poverty       |
| • <b>1.7%</b> English Language Learners | • <b>21.7%</b> English Language Learners |



# What it looks like in schools

## Wealthy school districts

- Class size 20
- Reading specialist or math coach
- Counselor support all levels; social worker
- Variety of advanced classes (AP, IB)
- High quality teachers with experience
- Administrator specialists
- State of the art science labs
- Higher test scores
- Higher graduation rates; College & career ready

## Underfunded schools

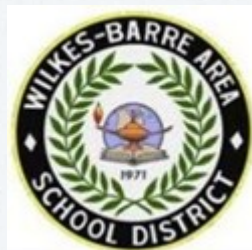
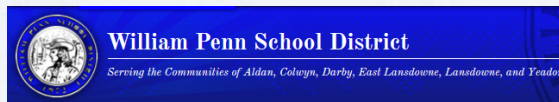
- Class size 30, insufficient space
- No remedial support
- Too few counselors, only triage crisis
- No, few AP courses
- New, inexperienced teachers; high turnover; teaching outside certification
- Administrators wear several hats
- Torn, outdated books you can't bring home
- Building facilities: leaks, asbestos, poor heat/cooling
- Low test scores, slower progress for English Learners

# What it looks like in policy

1. Low relative state contribution
2. Most funding not based on formula
3. No goal of fully funding schools
4. Unfair property tax burdens
5. Unacceptable outcomes for children



# The Petitioners



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



# The Respondents



# *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

# 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

# Where are we now?

- Discovery
  - 100,000+ pages of documents
  - 70+ depositions
- 13 expert reports & 11 rebuttal reports submitted
- Minor Summary Judgment Motion
  - No attempt to have the case dismissed
- Trial expected early in 2021

# 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?



# The Defense

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

# Has the Fair Funding Formula fixed the system?

In 2018-19, only  
**8.84%** of the  
Commonwealth's  
basic education  
appropriations were  
distributed through  
the formula

- State's largest category of education funding, Basic Education Funding (BEF), is not all distributed in the same manner
- 2016: Pennsylvania enacted a "Fair Funding Formula," determines a district's share of funding based on student and district characteristics that represent cost differences, including EL students, student poverty, small school districts and population sparsity, and local wealth and poverty
- However, the vast majority of Pennsylvania's BEF does not flow through the formula. Instead, a provision in Pennsylvania law—commonly referred to as "hold harmless"—locks in a continuing "base" appropriation that ensures a school district does not receive less BEF than it received in 2014-15.

# Basic Education Funding Commission Formula (Enacted July 2016)

## Weaknesses:

- Purposefully excludes total funding needed, so only looks at relative needs of districts
- Only applies to funding added after its adoption, so inequities are locked in
  - \$1.2 billion worth of inequity baked in
  - Inequity gets worse each year, not better
- No Impact on Unequal Local Tax Burdens

# The Hold Harmless Problem

Rank	School District	Change if no hold harmless	Per Student change if no hold harmless
1	York City SD	\$59,311,035.43	\$7,335.10
2	Reading SD	\$97,893,648.96	\$5,356.75
3	Allentown City SD	\$79,475,803.72	\$3,957.54
4	Harrisburg City SD	\$29,489,469.58	\$3,890.32
5	Columbia Borough SD	\$5,495,634.13	\$3,684.78
6	Aliquippa SD	\$4,441,413.19	\$3,579.63
7	Pottstown SD	\$11,149,429.11	\$3,347.35
8	Scranton SD	\$32,827,658.20	\$3,259.20
9	Wilkes-Barre Area SD	\$22,752,615.14	\$2,975.63
10	Greater Johnstown SD	\$8,929,128.57	\$2,911.34
19	Philadelphia City SD	\$404,347,917.41	\$1,984.91

# Race & Class Disparities



- Pennsylvania's school districts are among the most segregated by race and class lines of anywhere in the nation
- The districts receiving the most revenue Are disproportionately white & the districts receiving the least revenue are disproportionately Black and Latinx
- One study found that Pennsylvania school districts with the fewest white students are shortchanged in state funding by almost \$2000 per pupil, while the districts with the most white students receive about \$2000 more per pupil than their fair share under the funding formula.[Mosenkis]



# Why does this matter?

## **Statewide PSSA results show our children are struggling:**

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

## **Statewide Keystone results show the same for high school students:**

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

# Why does this matter?

- 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.

# Opportunity Gaps Abound

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

# 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.

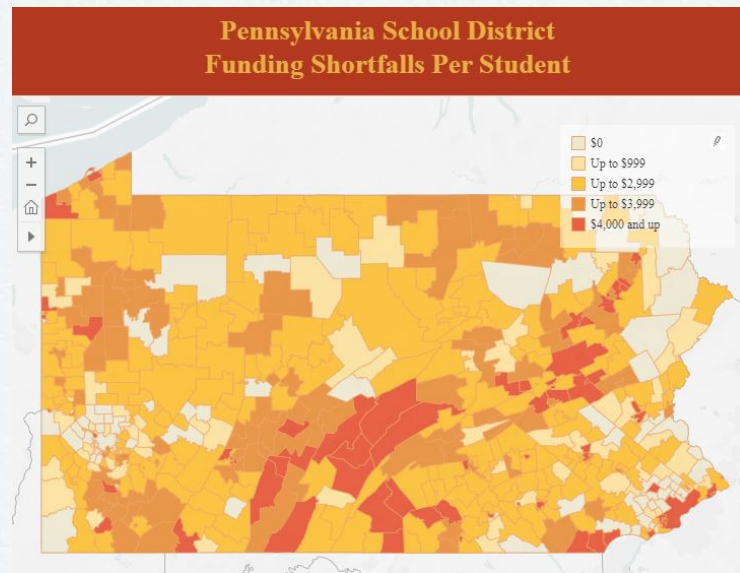
## So how much do Districts need?

- State law requires the state to make an annual adequacy calculation for each district
  - A formula for calculating the resources that schools need so that their students have a shot at reaching state academic standards
  - 24 PS Sec. 2502.48
- The state has not made this calculation since 2010—so we did it for them



# 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 gaps in each school district at [FundOurSchoolsPA.org](https://FundOurSchoolsPA.org)



## 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

# Illustrative of underfunding

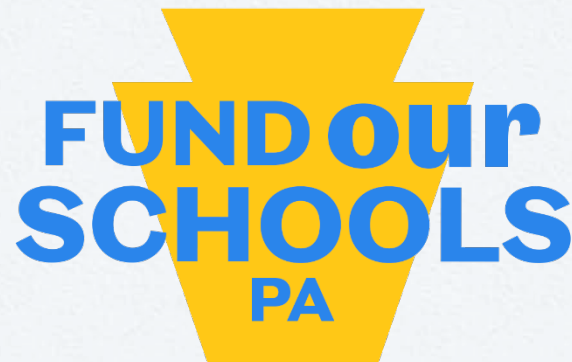
There are many ways to measure adequacy, and all show substantial underfunding. Petitioners are not asking for specific dollar amount, but a fix to the system that addresses decades of underfunding.

# What the Suit Can Accomplish

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

# What Can You Do?

- [PASchoolsWork.org](https://PASchoolsWork.org)
- [FundOurSchoolsPA.org](https://FundOurSchoolsPA.org)





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# THANK YOU!