

FUNDING IN THE 2024-25 SCHOOL YEAR:

A Breakdown of the Recently Passed State Budget and What it Means for PA School Districts

The 2024-25 Pennsylvania state budget marks a significant step towards addressing the unconstitutional school funding system, as ruled by the Commonwealth Court. This includes a \$1.1 billion increase in K-12 education funding.

HERE ARE THE KEY EDUCATION COMPONENTS AND THEIR IMPORTANCE:

NEW ADEQUACY SUPPLEMENT: The legislature codified a \$4.8 billion adequacy gap for Pennsylvania school districts, \$4.5 billion of which is the state's responsibility. This budget includes \$494 million in funds – or about 11% of that adequacy gap – to be distributed through a new adequacy formula, targeting the 348 school districts with the greatest needs.

TAX EQUITY SUPPLEMENT: The final budget also includes \$32M in "tax equity funding" to compensate the 50 Pennsylvania districts with the highest property tax rates that have felt compelled to increase taxes to try to remedy state underfunding.

INCREASED BASIC EDUCATION FUNDING: The budget includes an additional \$225 million in funding benefitting all school districts to be distributed through the Basic Education Funding Formula and an additional \$60 million in "Hold Harmless Relief" to the districts that were most disadvantaged by the existing basic education funding formula and its provision benefitting shrinking districts.

SPECIAL EDUCATION FUNDING: An additional \$100 million is allocated for special education services, ensuring better support for students with disabilities.

CYBER CHARTER REIMBURSEMENT: \$100 million is set aside to reimburse schools for payments to cyber charter schools, addressing a longstanding financial burden on districts. An adjustment in the formula for districts' special education payments to charters effective next January will save districts an additional \$34.5 million this school year and twice that amount in future years.

CAREER AND TECHNICAL EDUCATION: A \$30 million increase for Career and Technical Education programs, along with \$7 million for dual enrollment, expands opportunities for students to gain practical skills and college credits.

SCHOOL SAFETY AND MENTAL HEALTH: The budget provides \$20 million for school safety improvements and \$100 million for mental health resources in schools.

STUDENT TEACHER STIPENDS: \$20 million is allocated to support future educators, addressing the teacher shortage.

These appropriations are crucial to begin remedying the unconstitutional school funding system. The budget and accompanying school code language clearly outline a bipartisan agreement that an adequately funded education requires, at minimum, an additional \$4.5 billion in state funding, distributed to the communities that need it most. The identification of adequacy gaps for each Pennsylvania school district represents a shift towards more equitable funding, particularly benefiting underfunded districts. So does the decision to make the new adequacy funding stream the largest of the new investments.

However, the budget falls short of fully addressing the court's mandate.

MOVING FORWARD, LAWMAKERS MUST FOCUS ON:

ESTABLISHING A CLEAR TIMELINE for achieving full constitutional compliance in school funding, as the Senate majority leadership's refusal to consider HB 2370 left schools without a predictable, concrete funding timeline on which they could base long-term budgeting.

COMMITTING TO CONSISTENT, SUBSTANTIAL INCREASES in education funding over the coming years at an accelerated pace to close the remaining adequacy gap.

RECOGNIZING THAT THE COURTS HAVE DECLARED EDUCATION TO BE A "FUNDAMENTAL RIGHT," meaning that funding for schools should be based on need and not subject to competition from other budgetary priorities.

ALLOCATE ADDITIONAL FUNDING FOR SCHOOL FACILITIES AND PRE-K, which the school funding lawsuit decision determined were critical elements to a constitutionally compliant, thorough and efficient system of public education - and are areas of enormous need that the state has not addressed.

SETTING A FLAT RATE FOR CYBER CHARTER TUITION to save taxpayer money and align tuition payments to cyber charters with their actual costs.

While the 2024-25 budget represents progress, it's clear that sustained effort and commitment from lawmakers are necessary to fully realize a constitutionally compliant, equitable school funding system in Pennsylvania.

That's why the message for lawmakers must continue to be, "Finish the Job."