

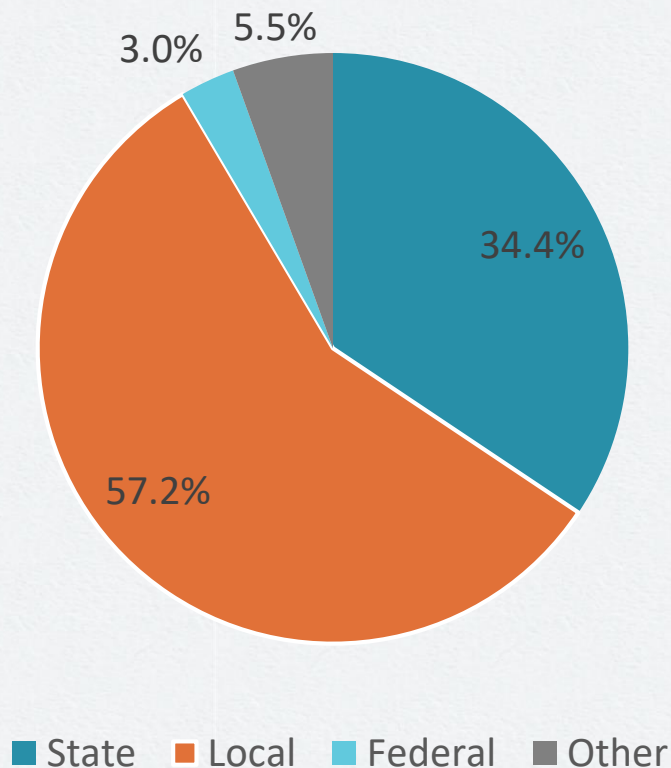
# School Funding Briefing



# The Long Term Problem

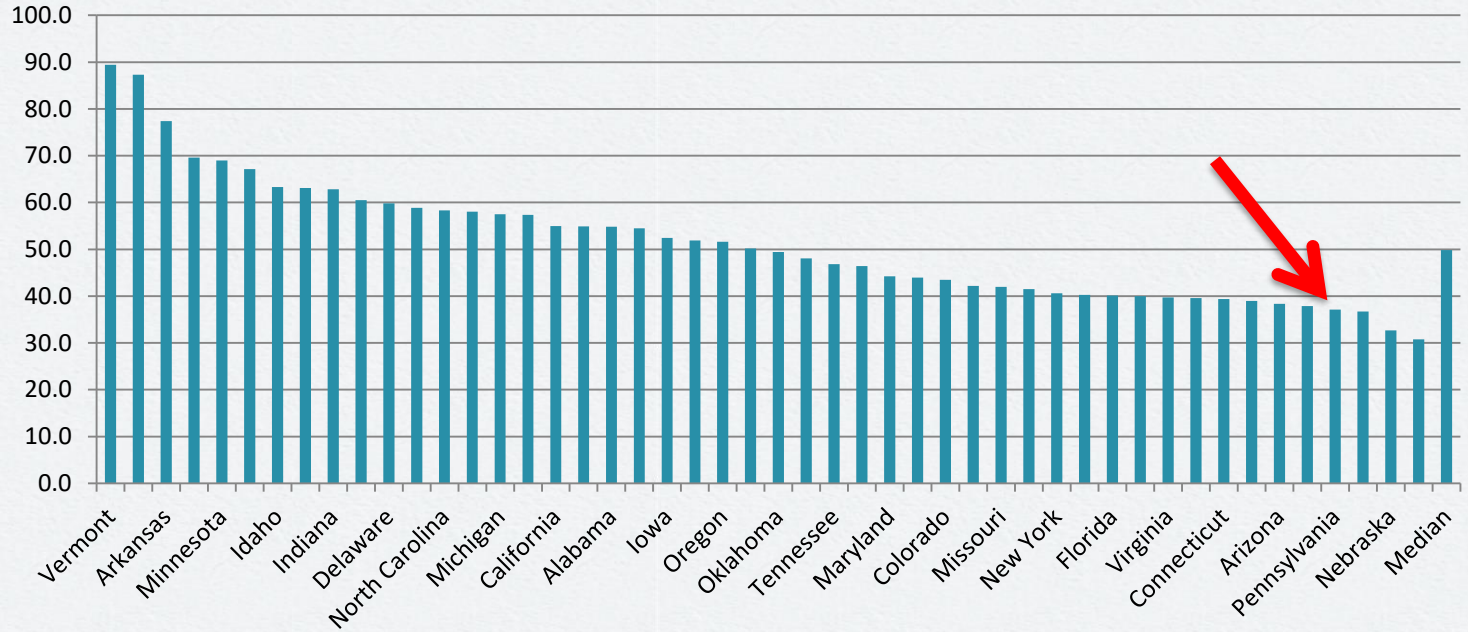
1. Low relative state contribution
2. No goal of fully funding schools
3. Most funding not based on formula
4. Unfair property tax burdens
5. Unacceptable outcomes for children

# Sources of Pennsylvania Education Funds

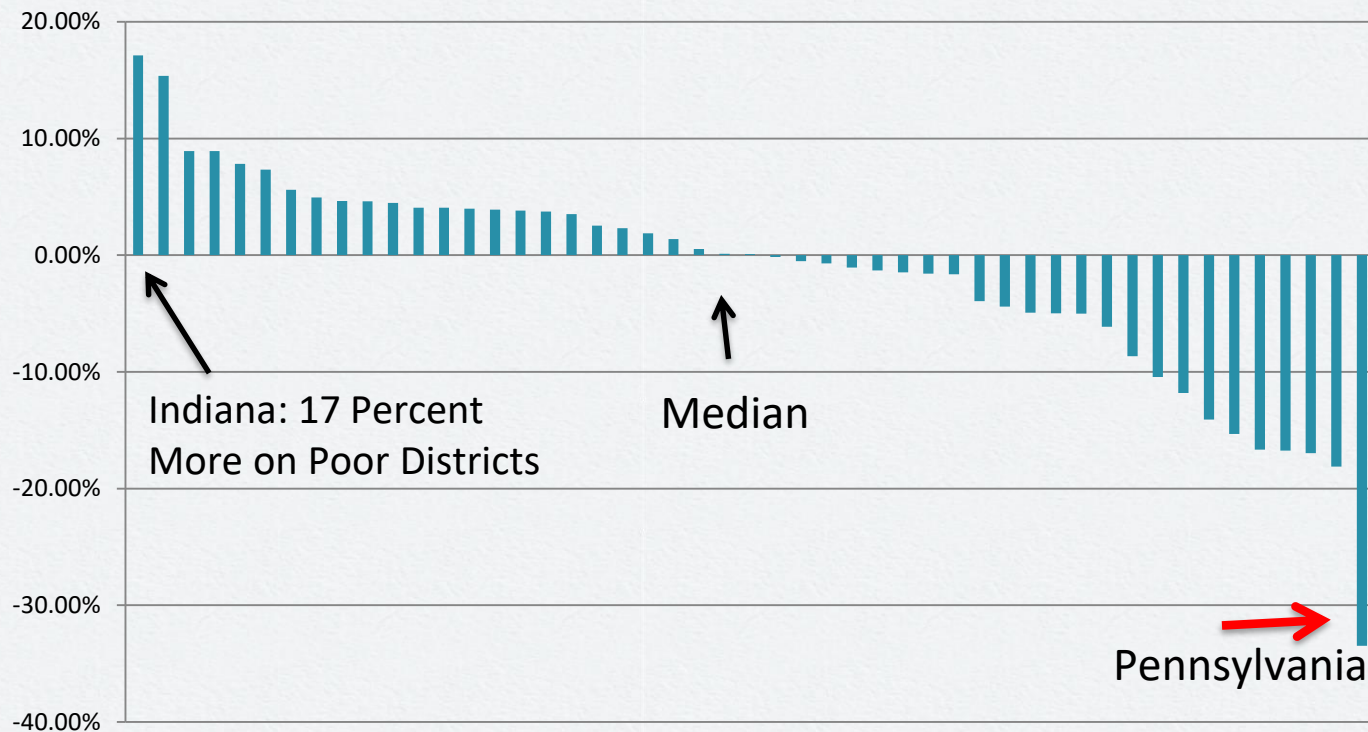


# How does Pennsylvania compare?

## Percent of a State's Contribution to Education



# Ratio of State and Local Money Spent on Rich Districts vs. Poor Districts





# Tax Disparity in Delaware County

District	Tax burden: Equalized Mills	Local Revenue per Student
Marple Newtown SD	12.7	\$20,278
Radnor Township SD	14.6	\$21,549
Rose Tree Media SD	17.6	\$19,424
Haverford Township SD	20.4	\$15,596
Chester-Upland SD	21.0	\$3,725
Penn-Delco SD	21.7	\$12,088
Garnet Valley SD	21.8	\$17,567
Springfield SD	22.3	\$14,444
Interboro SD	25.0	\$12,342
<b>Upper Darby SD</b>	<b>27.3</b>	<b>\$8,075</b>
Ridley SD	28.6	\$13,493
Wallingford-Swarthmore SD	28.8	\$16,890
Southeast Delco SD	30.8	\$8,476
Chichester SD	32.1	\$14,390
William Penn SD	34.9	\$8,546

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

## New Hope-Solebury

- Tax rate: 12.8 mil
- Local revenue per child:  
\$24,326
- State revenue per child:  
\$4,473
- State/local per child:  
\$28,799

## Reading S.D.

- Tax rate: 25.0 mil
- Local revenue per child:  
\$2,454
- State revenue per child:  
\$10,350
- State/local per child:  
\$12,804

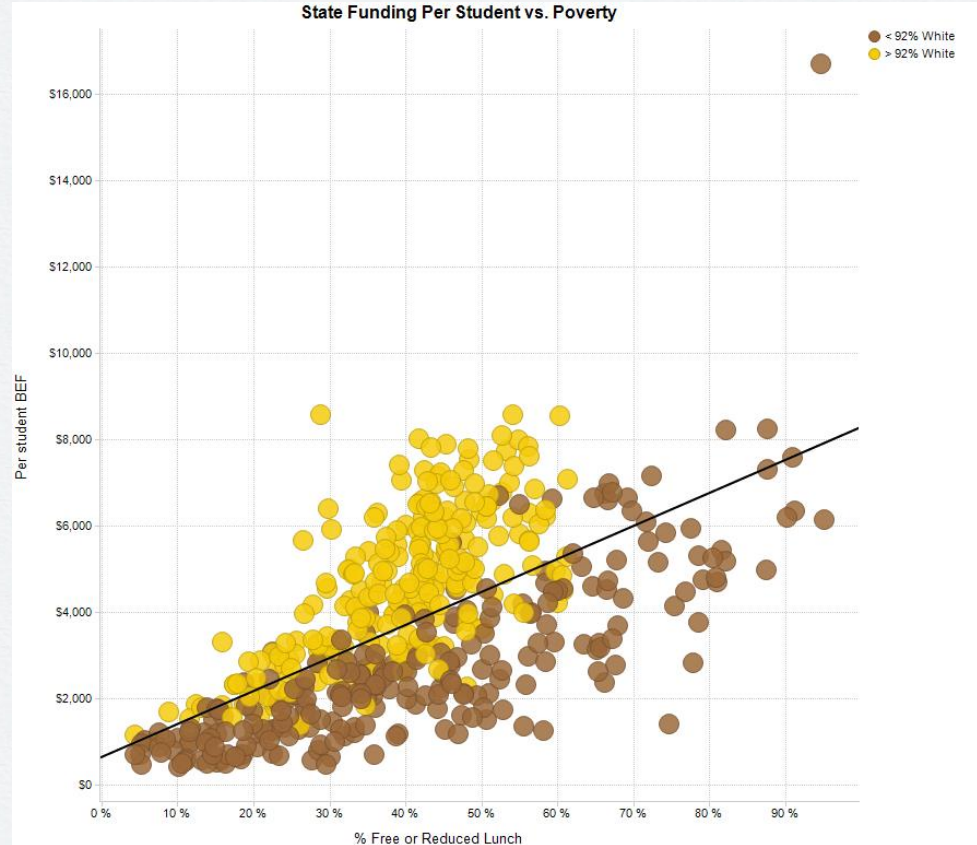
**Difference = \$15,995**

# Which District Needs More?

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• New Hope S.D.</li></ul>                                   | <ul style="list-style-type: none"><li>• Reading S.D.</li></ul>                                     |
| <ul style="list-style-type: none"><li>• <b>9.7%</b> Students Economically Disadvantaged</li></ul> | <ul style="list-style-type: none"><li>• <b>96.2%</b> Students Economically Disadvantaged</li></ul> |
| <ul style="list-style-type: none"><li>• <b>1.9%</b> English Language Learners</li></ul>           | <ul style="list-style-type: none"><li>• <b>24.0%</b> English Language Learners</li></ul>           |



# Uncomfortable Realities



# 1990's School Funding Push



## Students demand more aid for schools

**The Daily Worker**  
The city's schools are in a state of crisis, say students and parents. They demand more aid for schools.

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## Students protest for schools

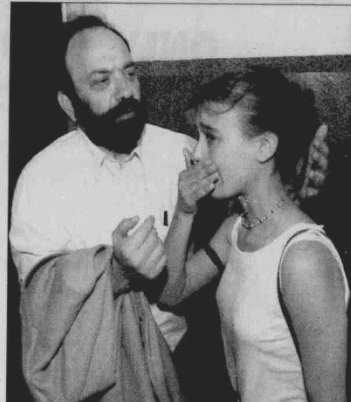
**STUDENTS** from A1 (to bury education), satirical posters and power-to-the-people speeches, the marchers asserted their rights and spoke their minds.

They marched from the west side of City Hall to the east, chanting: "We're not done! We're not through! Mayor Rendell, what's gonna do?"

April Rosenblum of the High School of Creative and Performing Arts (CAPA) spoke passionately — and sarcastically — from a makeshift stage. "You know, there used to be this cool, legal way to express yourself in Philadelphia. I think it was called art classes," she said to cheers.

"That was back when they thought giving kids a good education and creative outlet was important enough to spend money on. These days, they're more interested in filling the new jail cells with graffiti artists. Ward, but what do I know? I'm just a kid, right?"

The students complained that art, music and extracurriculars were being slashed or eliminated because politicians such as Rendell had the wrong priorities — cutting taxes instead of adequately funding schools. Rendell is trimming the city's wage and business taxes in an effort to improve the city's business climate.



After meeting with Mayor Rendell, an upset Sarah Shapiro is comforted by her father, City Council aide Stan Shapiro.

"I got personal abuse for the liquor-by-the-drink tax," Rendell said. "My own university (University of Pennsylvania) is not crazy about the PILOT program. If we don't get credit, at least people should understand we are not to blame for where they are."

Inquirer staff writers Dianna Marder and Thomas Gibbons contributed to this report.

# Adequacy-based School Funding Litigation

## City sues Pa., seeks millions for schools

The suit calls for \$73.8 million this year — and more equitable financing in future years. The state says Philadelphia is already getting its fair share.

By Richard Jones  
The Philadelphia Inquirer

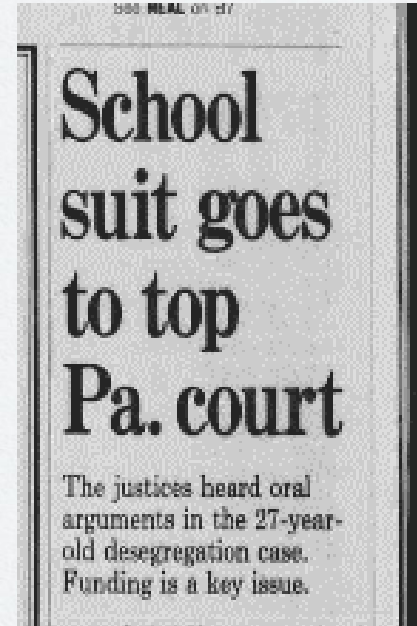
Saying that the state system of

### New security

## School funding case set to begin

Equity in spending for education is sought among rich and poor Pennsylvania districts.

# Race-based School Funding Litigation





# Litigation Fails



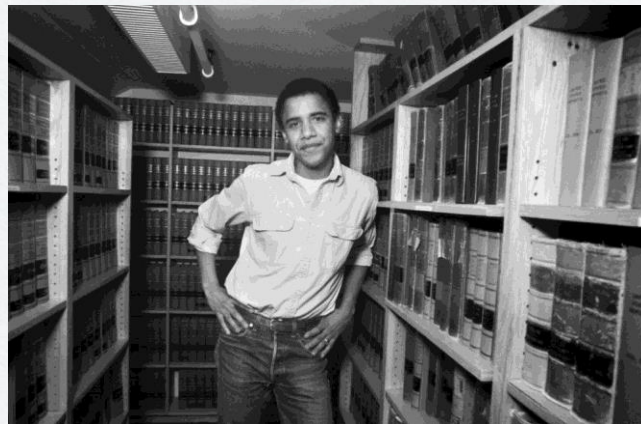
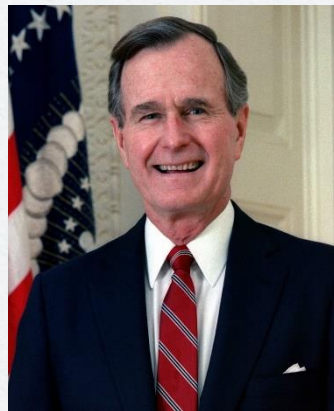
## *Supreme Court Limits Scope Of a Main Civil Rights Law*

By LINDA GREENHOUSE   APRIL 25, 2001

The Supreme Court today substantially limited the effectiveness of one of the most important civil rights laws as a weapon against discrimination in the way federal grant money is used.



# How did we get here?



# The Recent History

The School Reform Commission, the costing out study, a movement towards adequacy, and retrenchment

# The Movement Towards Adequacy

- 2007 study commissioned by the Legislature found **\$4.4 billion** was needed to meet state proficiency standards.
- Gov. Rendell sets target of \$2.4 billion and begins regular increases.
- Governor Corbett takes office and cuts \$851 million dollars of education funding.

# 2011 Cuts Target Poorer Districts

\$ Cut per Student	N	Students in Poverty
Over \$700	29 districts	58.97%
\$500 to \$700	130 districts	46.99%
\$300 to \$500	187 districts	34.87%
\$150 to \$300	103 districts	22.82%
Under \$150	51 districts	11.78%

Note: Cuts include reductions in Basic Education, Accountability Block Grants, Reimbursement for Charter Schools, and Education Assistance Program from 2010-11.



# The Impact of Massive Cuts

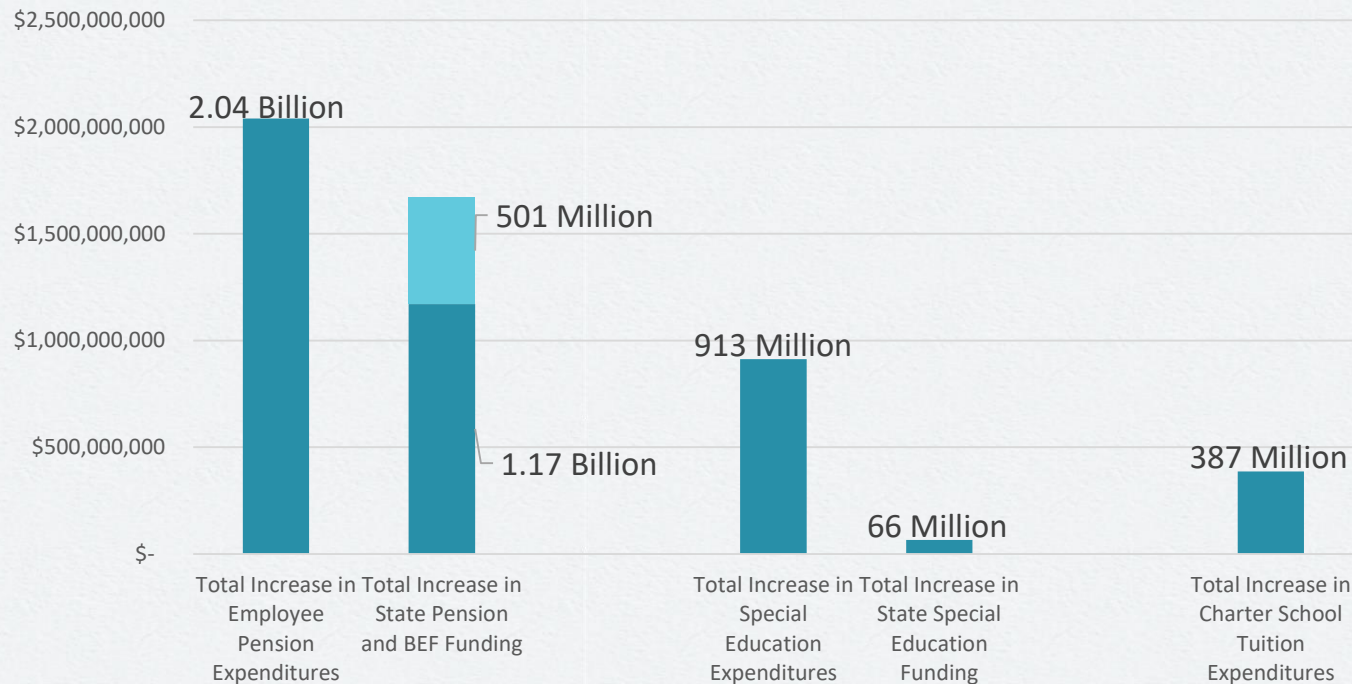
- 50% of districts raise elementary class sizes
- 27,000 positions cut statewide
- 416 school districts raise property taxes post 2011-15, at median of 6.6% increase
- \$570 million remain in cuts remain as Corbett leaves office



# Harrisburg Over the Past Four Years

- Governor Wolf Proposes \$2 billion in Pre-K - 12 education over 4 years
  - Will be at \$543 million for K-12 after four years
- \$2 billion included \$500+ million for 2015-2016, with money targeted first to districts who were cut
  - After protracted budget struggle: \$453 million total over three years for basic education funding, not targeted first to districts which where cut

# Growth in District Fixed Costs vs. Growth in District Funding 2012-13 to 2016-17



# Basic Education Funding Commission Formula (Enacted July 2016)

## **Strengths:**

- Uses 3 year average student count.
- Adds weights for poverty, concentrated poverty, English Language learners, district sparsity, charter students.
- Takes account of district tax effort and fiscal capacity to raise local share, replacing the traditional aid ratio.

# 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
  - **\$1.1 billion worth of inequity baked in**
- No Impact on Unequal Local Tax Burdens



# How much do school districts need today?

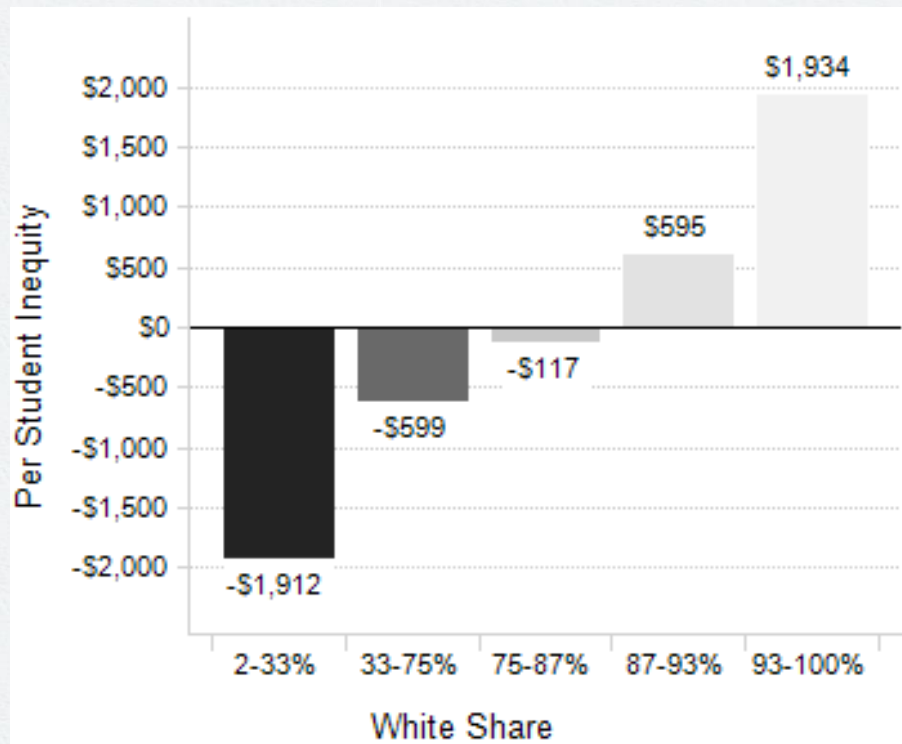
- Despite the state not wanting to publish an “adequacy” amount, the Law Center conducted a study which used the new funding formula to give estimates of the amount the state needs to contribute.
- State funds needed:
  - Between \$3 and \$4 billion
- Study available: [www.pubintl.org/befc-adequacy-calculation/](http://www.pubintl.org/befc-adequacy-calculation/)



# Funding Formula Demonstrates the Unfairness of the Current System

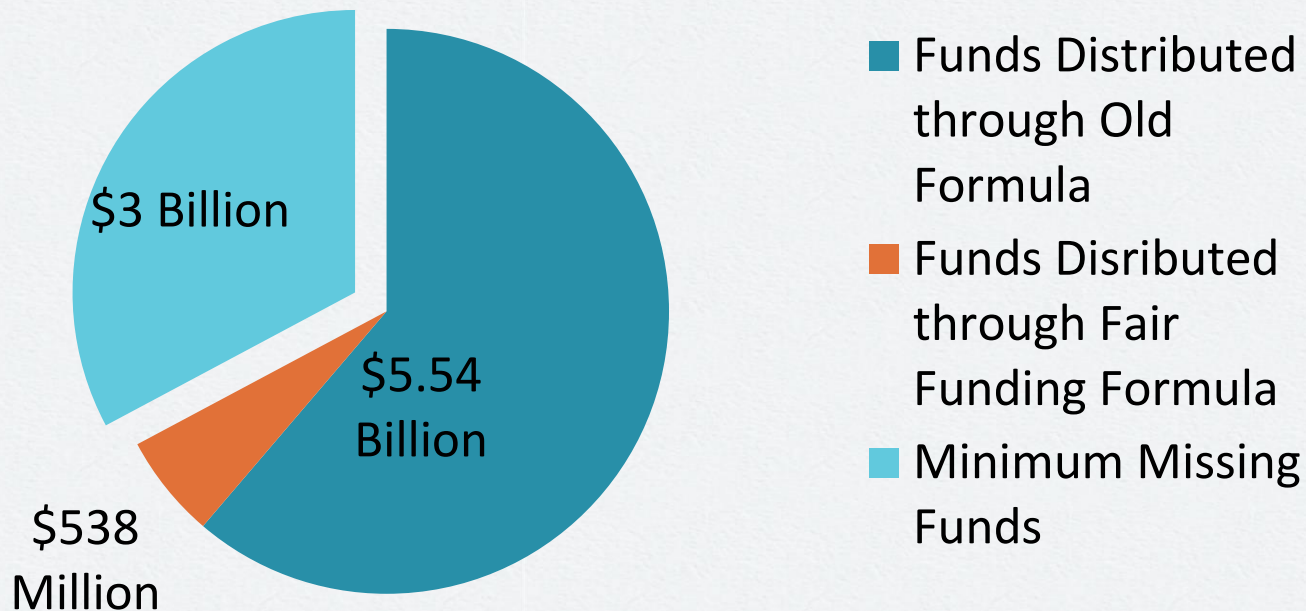
Rank	School District	Gain if all funds were distributed according to the formula	Change Per Student
1	York City SD	\$58,843,101	\$7,277
2	Reading SD	\$106,084,517	\$5,805
3	Shenandoah Valley SD	\$5,370,612	\$4,618
4	Harrisburg City SD	\$32,980,931	\$4,351
5	Pottstown SD	\$14,056,904	\$4,220
6	Allentown City SD	\$80,433,893	\$4,005
7	Forest Area SD	\$1,806,820	\$3,712
8	Wilkes-Barre Area SD	\$28,339,032	\$3,706
9	Hanover Public SD	\$6,865,959	\$3,440
10	Aliquippa SD	\$3,770,330	\$3,039
11	Jim Thorpe Area SD	\$6,425,807	\$2,910
<b>41</b>	<b>Upper Darby SD</b>	<b>\$15,799,747</b>	<b>\$1,243</b>

## Funding Formula Demonstrates Racial Inequities in Current Funding



Source: David  
Mosenkis, POWER

## The New Formula Does Not Fix the Problem



# 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.



# Opportunity Gaps Abound

- Pennsylvania breaks out testing results by race, ethnicity, English language learners, economically disadvantaged, and children with IEPs
  - According to a Rand Study in 2015, the Proficiency Gaps in Pennsylvania were higher than in any other state.
- Rand Corporation Study finds that from 2003 to 2015 failing to close opportunity gap cost Pennsylvania \$44 billion in lost GDP



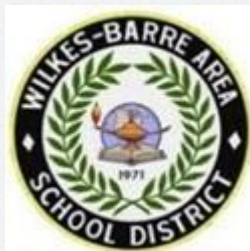
# In Summary

- Current System does not provide for any assessment of what is needed to meet state standards (adequacy) nor any guidelines for amount of state appropriations.
- Because the budget starts with what a district has already gotten, almost 80% of a state's Basic Ed grant is based on its 1991 demographics.
- Any solution needs to address actual current needs and/or how to overcome past inequities when distributing new funds.

# School Funding Lawsuit



# The Petitioners





# The Respondents





# *William Penn SD et al., v. Pa. Dept. of Education et al.:*

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

# Lawsuit Dismissed

- Governor and Legislative leaders argued that the case is not “justiciable;” the issue cannot be heard by the courts.
- September 2016: Oral Argument in Pennsylvania Supreme Court

# The Supreme Court





## Legal Arguments by the Governor and Legislature

- Similar cases decided in 1999; Supreme Court ruled there were not manageable standards.
- Process for securing a remedy is messy and time-consuming.
- **The only obligation the legislature has is to “turn the lights on;” they are meeting that obligation.**
- **No child has an enforceable right to a sound education**



# Supreme Court Decision

- Both claims may go forward:

“Judicial review stands as a bulwark against unconstitutional or otherwise illegal actions by the two political branches... It is fair neither to the people of the Commonwealth nor the General Assembly itself to expect that body to police its own fulfillment of its constitutional mandate.”

# Back to Commonwealth Court

## Changing course, Gov. Wolf asks courts to rule on Pa. education funding lawsuit

By [Avi Wolfman-Arent](#) · January 26, 2018

▶ Listen 1:53




Gov. Tom Wolf tours Caln Elementary School in Thorndale, Pa. (AP File Photo/Matt Rourke)

# Commonwealth Court Clears Path to Trial

## Pa. funding lawsuit moves toward full trial as court dismisses latest objection

By [Avi Wolfman-Arent](#) · August 21, 2018



 Pennsylvania Senate President Pro Tem Joe Scarnati, center, hopes to quash a school funding lawsuit brought by districts and advocates. (AP file photo)



# What Do We Need to Prove?

- Education Clause (Adequacy):
  - What is the Constitutional Standard?
  - Has it been met?
  - Does it require more money to meet it?
- Equal Protection:
  - What level of scrutiny is afforded?
  - Given that scrutiny, are the disparities in funding justified?



# What Do Students Need to Know?

- State 8<sup>th</sup> Grade NAEP Reading scores are 12<sup>th</sup> highest in country. “What are you complaining about?”
- Can’t pass PSSA? Did you Graduate anyway? Which counts?
- Statewide NAEP hides the failures

# Widespread missing inputs

- Sufficient teachers
- Technology and up to date books
- Librarians and counselors
- Tutors and coaches
- Extended time

# Will more money make a difference?

- Or is a child's socio-economic status destiny?
- Legislators asked for: “All assessments, evaluations, reports studies, analyses, and memoranda that relate to the relationship between demographics and student achievement.”
- “Not everyone can be an “A” student. Some just won't make the effort.”

# How Do We Prove It?

- Experts?
- Superintendents?
- Teachers?



# What the Suit Can Accomplish

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

# Can You Go Home and Wait for the Courts to Make Life Easy?

- Do Legislators believe they need to find \$3 billion in new revenues?
- Will they low ball the next round?
- Will they protect their own, diluting the impact on the most needy?

# What Can You Do?

- Our Website:  
[www.pubintlaw.org/school-funding-lawsuit](http://www.pubintlaw.org/school-funding-lawsuit)
- [PASchoolsWork.org](http://PASchoolsWork.org)



# CONTACT US

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# THANK YOU!