How Does School Funding Affect Your Student's Education?

This spring, Oprah Winfrey aired a show where suburban high school students and inner-city high school students traded places for a week. Both sets of students were shocked. Their new surroundings confirmed what many people already suspected—suburban schools often have more and better resources. But experiencing the educational opportunity gap first-hand was a real eye-opener for these students.

The Philadelphia Story

Here in the Philadelphia region, we see big differences in what schools provide for their students. According to the Pennsylvania Department of Education, in 2004-05, Philadelphia spent $10,834 per student, much less than what was spent by area school districts (see sidebar). While Philadelphia students receive less funding, they cost more to educate. According to experts, education costs increase dramatically for students who live in neighborhoods of concentrated poverty, who have special needs, and for whom English is not their first language. Philadelphia has all of these—and other—added cost factors.

The Education Law Center of Pennsylvania estimates that the School District of Philadelphia needs at least $1,815 more per student to adequately educate our children.

More funding means lower class size, enhanced core academic needs, electives and specialized programs for at-risk students. It also means more and better athletic, arts, music and other extracurricular activities. For a class of 30 students, a $1,815 increase per pupil would mean an extra $54,450 per classroom each year—that’s a lot of books, supplies and computers. For a school with 1,000 students, that would mean an additional $1.8 million every year. This would help narrow the educational opportunity gap between Philadelphia and suburban students in a very real way.

The majority of public school funding in Pennsylvania comes from local sources, primarily property taxes. So districts with higher property values can raise significantly more money than their less affluent neighbors, as much as $10,000 more per child. However, the residents of less affluent communities often have a greater tax burden because their property tax rates are frequently higher.
How is school funding determined in Pennsylvania?

In Pennsylvania, there is a huge gap in funding between the top 50 spending school districts and the remaining 451. There are two main reasons why districts are under-funded:

1) The state contribution toward the cost of public education is inadequate, and

2) The state's method of distributing funds to school districts (the funding formula) is arbitrary and inequitable.

Educators and advocates agree that the only way to make sure children in less affluent communities—urban and rural—have equitable and adequate funding is to reduce reliance on local property taxes and for the state to pay a bigger share. However, the trend in Pennsylvania has been the reverse. Since 1974, the state's share of the cost of education has decreased from 55% to 36%, placing an increasingly heavy burden on under-funded school districts. And compared to neighboring states, Pennsylvania contributes a much lower proportion and a much lower dollar amount (see sidebar on reverse).

The Funding Formula

The "funding formula" is another way of saying, “the method used to divvy up the pot of money the state spends on education.” Not only is there not enough money in the "pot," but also the amount is divided in an arbitrary, unpredictable manner that does not always reflect realistic costs and needs. Each year, the Governor and Legislature negotiate the funding formula to create the annual state budget. Changes in the formula can be based on the strength of individual politicians rather than on more objective factors such as the poverty level. In fact, the definition of "poverty" can change from year-to-year.

What Can We Do?

The Public Interest Law Center of Philadelphia (PILCOP) recommends that Pennsylvania contribute 65% of the cost of public education statewide. Additionally, the funding formula should be revised so that districts and children most in need get adequate, equitable and predictable school funding.

Although the 2005-06 state budget includes important increases for public education, and the projected new gaming revenue could potentially have a big impact on school funding, we still have a long way to go to make sure Philadelphia and other low-income school districts throughout the state have sufficient resources to give our children the education they need and deserve.

To learn more about school funding contact
learningbrief@philaedfund.org
or any of the organizations listed below.

Good Schools Pennsylvania
(866) 720-4086
www.goodschoolspa.org

Education Law Center of PA
(215) 238-6970
www.elc-pa.org

PILCOP
(215) 627-7100
www.pilcop.org

Philadelphia Citizens for Children & Youth
(215) 563-5848
www.pccy.org

Philadelphia ACORN
(215) 765-0042,
www.acorn.org

Edu. Policy Leadership Ctr.
(717) 260-9900
www.eplc.org

The Solution

- Increase state contribution to 65% (less reliance on property taxes)
- Revise state funding formula
- Ensure adequate funding for all school districts
- Spark active citizen participation