



Shuffling The Deck Won't Solve The Pennsylvania School Funding Crisis

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Judge Renée Cohen Jubelirer's February 2023 school funding lawsuit decision called on the Pennsylvania General Assembly to develop a new funding system to fulfill the state's constitutional obligation of a thorough and efficient system of public education.

Since the decision, opponents of investing more to attain education equity in Harrisburg—egged on by the Commonwealth Foundation—have tried, [once again](#), to change the subject.

First, they claimed that the decision should lead us to embrace vouchers and “school choice,” even though the decision, like the Pennsylvania Constitution itself, requires a system of “public education.” It never mentions vouchers, and it is clear that [no voucher proposals under consideration could meet the constitutional mandate](#).

Lately, those who are dubious about new education funding have been focused on comparing Pennsylvania's education spending to that of other states. They point out that Pennsylvania's spending per student ranks somewhere in the top 15 or so of all states (with some variation from one year to another and depending on how one counts spending and students) and that per-student funding in Pennsylvania much higher than that in other developed countries.

However, this focus on total spending misses the point again in multiple ways.

First, comparing Pennsylvania to all 50 states, with their widely divergent costs of living and education costs, is bound to overstate how much our state spends on education. If we compare Pennsylvania to the 10 other New England and Mid-Atlantic states, we find that Pennsylvania's spending per student of \$20,188 per year is below the average of \$21,738. And as a share of personal income, Pennsylvania's education spending of 3.88% is below that of the average for these 11 states, 4.1%.¹

Second, comparing education funding in Pennsylvania and other states to education funding in other countries doesn't take into account the impact of economic inequality on equal opportunity in the United States. A recent Pew Study summarized the situation: “the U.S. has one of the most unequal income distributions in the developed world, according to data from the [Organization for Economic Cooperation and Development](#)— even after taxes and social-welfare policies are taken into account.”² If Pennsylvania and others states are to have any chance of keeping the promise of equal opportunity that has long been thought to be the hallmark of the United States, we must invest more in education funding for schools that serve children those with low incomes. Yet we do the opposite in most states and especially in Pennsylvania.

Third, and most importantly, to focus on total K-12 education spending in Pennsylvania misses the key point of Judge Jubelirer's decision: our state and local education spending is extraordinarily

1. Calculations by Pennsylvania Policy Center based on US Census Bureau summary tables from [2021 Public Elementary-Secondary Education Finance Data](#).

² Drew Desilver, Global Inequality: “[How the U.S. Compares](#),” *Pew Research Center*, December 19, 2013. There is no evidence that inequality has decline in the United States in the last ten years.

unequal. Study after study, both national and local, has shown that students educated in school districts with a high share of Black and Hispanic students or a high level of families living in poverty receive far less than students in school districts with low poverty levels and a low share of Black and Hispanic students.³

Moreover, those studies all understate the problem because, as educational research shows—and decisions by the General Assembly in the past recognize—it takes more resources to provide an adequate education to children living in poverty or who speak English as a second language.⁴

3. There are many studies that focus both on Pennsylvania data and cross-state comparisons showing that education inequity is greater in Pennsylvania than in most other states.

One is Research for Action's [Educational Opportunity Dashboard](#). It shows that Pennsylvania ranks lowest of all states for the gap between students of color and white students on its average opportunity score. The state also ranks 50th out of 50 states for the gap between Hispanic and white students on the average opportunity score. It ranks 49th out of 50 states on the same measure for the gap between students eligible for free and reduced-price lunch and those not eligible for it.

The Education Trust's December 2022 report on funding gaps in K-12 education, [Equal Is Not Good Enough](#), reports similar results. It compares spending between school districts with the highest and lowest share of Black students, English-language learners, and students with low incomes. Pennsylvania ranks 43rd out of 50 states with regard to the funding gap by share of low-income students, 45th with regard to funding gaps by share of English-language learners, and 40th from the bottom with regard to funding gaps by share of low-income students.

The [School Finances Indicators Database](#) (SFID), produced by Rutgers University Graduate School of Education's Albert Shanker Institute, measures education funding equity in a different way—it compares revenues per student for typical school districts where 0%, 10%, 20%, and 30% of it families living in poverty. School spending data is adjusted in this survey for differences in district ^{size}, the cost of hiring teachers and other personnel, and other factors that affect the cost of education. With this data we can measure equity in school funding by comparing funding for school districts at 30% and 0% poverty levels. By that measure, Pennsylvania is again among the states with the most unequal funding, ranking 46th out of the 49 states for which complete data is available. See Bruce D. Baker, Matthew Di Carlo, Ajay Srikanth, and Mark A Weber, *School Finance Indicators Database: State Indicators Database 2023 (5th Release)*. Washington, DC: Albert Shanker Institute, 2022.

Another report by Matthew M. Chingos and Kristin Blagg, The Urban Institute's report [School Funding: Do Poor Kids Get Their Fair Share?](#), Urban Institute, May 2017, provides data on school expenditures from 2013 to 2014. The study compares the "average funding for poor and non-poor kids" using district-level data adjusted for differences in salaries of college graduates. It found that Pennsylvania ranked 41st out of the 49 states for which there is complete data.

The impact of school funding inequality on school staffing is the subject of a recent report by David Lapp and Anna Shaw-Amoah, [Pennsylvania School Funding and School Staffing Disparities](#), *Research for Action*, May 2023. They find that, "despite serving the most students with high-cost needs, Pennsylvania's inadequately funded school districts would need to hire more than **11,000 additional teachers, 1,000 administrators, and 1,600 professional support staff** and to **spend an additional \$2.6 billion in salaries** alone just to provide what students receive in Pennsylvania's adequately funded districts. We conclude that without reversing these staffing disparities, which are rooted in funding disparities, Pennsylvania policymakers are unlikely to reverse disparities in student achievement."

Finally, the Pennsylvania Budget and Policy Center did a series of studies that focus on measuring funding inequity using Professor Matthew Kelly's updated estimates of the funding needed to provide an adequate education in each of Pennsylvania's 500 school districts. We have replicated this study a number of times, taking into account changes in school funding. (We will be updating this study in the near future.) We consistently find large gaps in adequacy between school districts with a larger share of Black, Hispanic, and low-income students and school districts with a smaller share of each. The most recent report in the series is: Marc Stier, [Alternative Approaches to Making a Down Payment on Education Equity](#), Pennsylvania Budget and Policy Center, March 22, 2023.

The drastic inequity in school funding in Pennsylvania denies a large share of our children the equal opportunity to get a good education and secure all its benefits. It also undermines the economy by denying the state the full benefit of the talents and abilities of our kids.

Democrats and Republicans in the General Assembly and on the Basic Education Funding Commission recognize the fundamental problem of inequity and they are tasked with developing a plan to adequately and equitably fund our schools. But some legislators are now suggesting that we can solve the problem by reallocating state funds from school districts that are better funded to those that are less well funded.

Shifting funding around without adding more state funding—shuffling the school funding deck—is, however, not what our Constitution requires and is also politically and practically impossible.

The Pennsylvania Constitution does not require that our schools be as good as schools in the average state. It does not require them to be a little above average. It requires that our schools provide every child with a “comprehensive, effective, and contemporary system of public education.”

Unfortunately, this standard is not met by most schools in Pennsylvania or, for that matter, most other states in the country. Indeed, we know that, on average, student achievement in the average school in the United States falls behind that of many other countries⁵ and that this undermines economic growth in our country as a whole.⁶

We also know that, after an increase from a low level in the 1990s, school funding nationwide has stagnated or declined a bit since the Great Recession of 2008.⁷ There is some evidence of a recent upturn, but there is no reason to be complacent about our nation’s and our state’s commitments to providing an adequate education to all.

Pointing to national averages thus does not tell us how much funding Pennsylvania schools need. Our goal should—and is required by our Constitution to be—higher than simply attaining the mediocre level of education spending and education outcomes found in states across the nation. A far better approach—the one that was adopted by the PA Costing-Out Study that Professor Matthew Kelly has now updated—is to look at what our best, highest-achieving schools spend. By using them as a model, and adjusting spending levels for various kinds of students, we can estimate how much each school district should spend per student to bring students up to a high level of achievement. By that standard, a bit more than 80% of schools in Pennsylvania are underfunded.⁸ Some only need a bit more money. But many need more, especially those in low-income communities or that serve a large share of Black and Hispanic students.

So shifting money from well-funded to poorly funded school districts won’t meet the constitutional standard. It is also politically and practically impossible.

It is practically impossible for the same reason that school funding is so unequal—Pennsylvania’s state share of K-12 education spending is among the lowest in the country. As a result, the school

5. Drew DeSilver, [U.S. student’s academic achievement still lags that of their peers in many other countries](#), Pew Research Center, February 15, 2017.

6. The evidence about the impact of K-12 education on economic growth can be found in Marc Stier, “The Contribution of K-12 Education to Economic Growth and Democracy,” Pennsylvania Policy Center, November 8, 2023

7. Matthew Chingos and Kristin Blagg, [How Has Education Funding Changed Over Time?](#), Urban Institute, August 2017.

8. [Testimony of Professor Matthew Kelly to the Basic Education Funding Commission](#), September 12, 2023.

districts that are well-funded are those that raise a great deal of local money for schools because they are wealthy, are willing to tax themselves at higher rates than the state average, or both. Because the inequity in school funding is largely a result of local decisions, the state can't take money from one district to another except by radically reducing state funding for well-funded districts (and even then, this approach is limited because the best-funded districts don't get that much from the state).

And, of course, the state cannot shift a great deal of money from some school districts to others without creating a storm of political opposition. Any plan to resolve the unconstitutional funding of our schools must be, among other things, politically feasible.

So, raising the state share of K-12 funding is critical to ensuring that underfunded districts get the additional dollars they need and to doing so in a way that will build broad political support in the General Assembly. (It's also necessary to hold property tax increases down.) That means that a sound plan to fix our unconstitutional system of K-12 school funding will necessarily require a substantial increase in state funding.

That is the task the Basic Education Funding Commission and the General Assembly must undertake. Meeting that challenge will mean that we finally provide Pennsylvania kids with a best-in-the-nation K-12 education. That's what they—and we, given the enormous impact of better education on our economy—deserve.