

Impact of Federal Cuts to Education on PA

- The total federal funding is small, but it's a critical share of total K–12 school expenditures: 8.2% of all funding, \$3.252 billion. It includes
 - \$630.6 million in Title I funding for school districts that educate lower-income students.
 - \$546.9 million in Child Nutrition Act funding.
 - \$467.8 million in children with disabilities funding.

The Court Order

The Court Order

Commonwealth Court declared PA's school funding system unconstitutional on February 7, 2023. The judge ordered respondents to come up with a plan.

Adequacy Targets

Act 55 of 2024 put into law an adequacy target for each school district: a measure of what level of total funding each district needs to ensure students have the resources necessary to succeed. This includes the state's share of funding.

The Legislative Response: Act 55

- Act 55 of 2024 put into law an adequacy target for each school district — a measure of what level of total funding each district needs to ensure students have the resources necessary to succeed. This includes the state's share of funding.
- The total state share of the adequacy gap identified was \$4.5 billion.
- Roughly 70% of school districts (348 of 500) have adequacy gaps.
- The 2024–2025 state budget provided \$494 million in adequacy supplements to districts, or about 11% of the total.
- There is no timeline in the law for filling the remaining \$4.0 billion gap.

Tax Equity

- Funding for the 50 school districts with the highest tax burdens in the commonwealth.
- Act 55 of 2024 calculated a \$258 million total tax equity gap, which is the amount needed to offset the local revenue generated by these districts from taxing above the 90th percentile rate.
- The 2024–2025 state budget provided \$32 million in tax equity supplements to districts, or about 11% of the total.

Governor Shapiro's 2025–2026 Budget Proposal

Adequacy Supplement: Proposed increase of \$494 million

- This is equal to the amount invested in FY 2024/2025.
- This represents an additional 11% investment.
- If identical installments are made annually, it will take 9 years total to fill the \$4.0 million adequacy gap.

Tax Equity Supplement

- Proposed increase: \$32 million, equal to the amount invested in FY 2024/2025 for the 50 school districts with the highest tax burdens in the commonwealth.

Governor Shapiro's 2025–2026 Budget Proposal

Basic Education Funding increase for all 500 school districts

- Proposed increase: \$75 million, an increase of 0.9%
- Would not allow districts to keep pace with inflation
- Charter school reform could make up for the inflation difference, however. (See below.)

Special Education Funding

- Proposed increase: \$40 million, an increase of 2.7%

Governor Shapiro's 2025–2026 Budget Proposal

Cyber charter funding reform

- Proposed discontinuation of the cyber charter transition line item, which was funded at \$100 million in FY 2024/2025.
- Recommendation to replace this line item with a new cyber reform proposal that would establish a statewide base cyber charter tuition rate of \$8,000 per student per year.
- School districts would realize a net savings of \$278 million annually if the \$8,000 per student regular education tuition rate were adopted.
- This proposal creates efficiencies and cuts wasteful education spending.

Need to accelerate pace of closing the adequacy gap

- Most money is directed to the school districts that have the greatest need through the adequacy investment.
- The adequacy funding proposal is the bare minimum, and the rate of closing the gap is still too slow with a \$3.5 billion gap that must be filled if this proposal is enacted in full.
- Without a funding acceleration, students who were in kindergarten when the state funding system was declared unconstitutional will be in high school before districts are fully funded.

K-12 Program Must Be Adopted as a Package

- Basic and special education increases are not enough to allow many districts to keep up with inflation.
- Cyber charter reforms cut wasteful spending and create efficiencies to lower the overall cost to taxpayers.
- The \$8,000 per student regular education tuition rate will return \$278 million to put more money in classrooms and keep cyber charter costs controlled moving forward.
- If cyber reform is not adopted, many districts will need to increase property taxes just to keep pace with inflation and to pay increased cyber charter costs.

How You Can Help: Make a Call

Lawmakers need to understand that their constituents support Governor Shapiro's budget proposal.

Contact your state lawmakers and ask them to support Gov. Shapiro's proposed K–12 budget.

- Visit [Find Your Legislator PA](#) to get their contact information.
- Put their Harrisburg office phone number in your phone.
- Call their office with a short message.

Send a quick text to Gov. Shapiro thanking him for his strong support of public education in the budget proposal: **717-788-8990**.

Governor Shapiro's 2025–2026 Budget Proposal

School Facilities

- Proposed \$25 million increase for the Public School Facility Grant Program for a total of \$125 million.
- Competitive grants administered by the Commonwealth Financing Authority (CFA) that support a broad range of projects such as roof or window repairs, HVAC needs, and plumbing systems

Early Childhood

- Proposed increase of \$15 million to increase the reimbursement rates in the Pre-K Counts program
- Level funding for Head Start Supplemental Assistance
- Proposed increase \$14.3 million (3.4%) for Early Intervention to increase provider rates

Need to accelerate pace of closing the adequacy gap

- Most money is directed to school districts that have the greatest need through the adequacy investment.
- Adequacy funding proposal is the bare minimum and rate of closing the gap is still too slow with a \$3.5 billion gap that still must be filled if this proposal is enacted in full.
- Without a funding acceleration, students who were in kindergarten when state funding system was declared unconstitutional will be in high school before districts are fully funded.

K-12 Program Must be Adopted as a Package

- Basic and special education increases are not enough to allow many districts to keep up with inflation.
- Cyber charter reforms cut wasteful spending and create efficiencies to lower the overall cost to taxpayers
- The \$8000 per student regular education tuition rate will return \$278 million to put more money in classrooms and keep cyber charter costs controlled moving forward.
- If cyber reform is not adopted, many districts will need to increase property taxes just to keep pace with inflation and to pay increased cyber charter costs

How you can help: Make a call

Lawmakers need to understand that their constituents support Governor Shapiro's budget proposal.

Contact your state lawmakers and ask them to support Gov. Shapiro's proposed K-12 budget.

- Visit [Find Your Legislator PA](#) to get their contact information
- Put their Harrisburg office phone numbers in your phone
- Call their office with a short message.

Send a quick text to Gov. Shapiro thanking him for his strong support of public education in the budget proposal. **717-788-8990**.

PA Budget Woes

- The PA General Fund has had larger current year expenditures than revenues for years.
- We are relying on accumulated COVID relief surplus.
- The surplus runs out in FY 2026–27.
- This doesn't include additional education funding or potential federal cuts (of \$3–\$4 billion).

PA General Fund Current Year Revenues - Current Year Expenditures	
Fiscal Year	in thousands
2023-2024	\$1,452,782
2024-2025	\$4,488,182
2025-26 proposed	\$4,499,931