

Education Funding in Governor Shapiro's FY 2026–27 Proposed Budget

What Changes, What is Essentially Flat-Funded, and What is Cut

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A strong public education system is essential to economic opportunity, thriving communities, and a fair economy. Yet Pennsylvania continues to have one of the most inequitable school funding systems in the country.

In 2023, the Commonwealth Court ruled that Pennsylvania's school funding system violated the state constitution because it failed to provide a "thorough and efficient system of public education." The decision made clear that the state must take meaningful steps to close the school funding adequacy gap.

Governor Shapiro's proposed FY 2026 to 2027 budget continues the Commonwealth's effort to address these inequities. The proposal includes significant investments in adequacy funding targeted to underfunded districts, while other core education funding lines see only modest growth.

This brief reviews key changes in the proposed education budget, including major investments, flat-funding areas, and programs facing cuts or elimination.

Key Takeaways

- Governor Shapiro's proposal continues the progress toward closing Pennsylvania's funding adequacy gap with a \$565 million increase in adequacy funding through the Ready to Learn Block Grant.
- The proposal also includes meaningful investments in Career and Technical Education (CTE), which increases funding by \$14.313 million (about 9.9%), outpacing most other K–12 line items.
- However, core funding lines remain largely flat, with Basic Education Funding (BEF) increasing by just \$50 million (0.6%), leaving the statewide adequacy gap far from closed. Special Education Funding (SEF) also increases by \$50 million (3.3%), a modest increase relative to rising costs and mandated needs.
- At the same time, the proposal includes cuts and eliminations in several areas, including the elimination of Mobile Science, Mathematics, and Literacy Education Programs.
- Despite continued progress, Pennsylvania remains far from closing the statewide adequacy gap, leaving many districts without the resources students need.

How Pennsylvania Funds Its Schools

Like most states, Pennsylvania funds public schools through a combination of state, local, and federal dollars. However, compared to other states, Pennsylvania depends far more on local property taxes and provides a smaller share of state support. The Commonwealth currently ranks 45th in the nation for state share of school funding, providing just 38% of K–12 funding, while the national average is close to 50%. As a result, school districts are heavily dependent on local property wealth to fund public education, which contributes to wide disparities between wealthier and lower-wealth communities. Currently, approximately 348 school districts, out of 500, have been identified as having adequacy needs under the state’s adequacy analysis.¹

That’s why adequacy funding is so important: it is designed to target additional resources to districts furthest below adequacy. The benefits are especially visible in districts serving the highest concentrations of low-income students, where new funding has produced the largest reductions in per-student adequacy gaps. According to our analysis, these districts saw their per-student funding gaps shrink from about \$3,460 in 2023–24 to \$3,067 in 2024–25, with an approximate decline to \$2,675 in 2025–26.²

How the Proposal Addresses School Adequacy Funding

Governor Shapiro’s proposal continues the Commonwealth’s effort to address the constitutional obligation to provide a thorough and efficient system of public education identified in the 2023 Commonwealth Court decision on school funding, by continuing multi-year adequacy payments and targeting additional dollars toward districts with the greatest need.

The proposal includes the same \$565 million in additional adequacy funding as last year through the Ready to Learn Block Grant. These funds are directed toward school districts with the greatest funding shortfalls.

Maintaining this level of investment signals continued progress toward closing the adequacy gap. However, the proposal does not accelerate the pace of closing that gap, which remains at several billion dollars statewide.

As a result, many school districts continue to struggle to provide adequate resources for students, including sufficient staffing, modern facilities, and academic supports and services.

Changes to Basic Education and Special Education Funding

The proposal includes modest increases to the Commonwealth’s two primary formula-based funding lines.

Basic Education Funding (BEF) increases by \$50 million, bringing the total to approximately \$8.31 billion. This represents an increase of roughly 0.6%

Special Education Funding (SEF) also increases by \$50 million, raising total funding to approximately \$1.58 billion. This represents a 3.3% increase.

While any increase is important, these adjustments remain modest relative to rising costs faced by school districts. These costs include staffing shortages,

transportation expenses, inflationary pressures, and mandated special education services. For comparison, in last year’s enacted budget (FY 2025–26), BEF grew by \$105 million (about 1.3%) and SEF grew by \$40 million (about 2.7%). This year’s proposal, therefore, continues the trend of relying more heavily on adequacy funding through the Ready to Learn Block Grant rather than significantly expanding core formula lines.

What Stayed the Same

Several education programs remain flat, or at the previous year’s funding in the proposed budget:

- The transfer to the Public School Facility Improvement Grant Program, which funds repairs, upgrades, and solar for schools, remains at \$125 million.
- School Safety and Security Transfer (Physical and Mental Health) remains \$100 million.
- Dual Enrollment Payments, which support opportunities for students to earn college credits and build careers pathways while still in high school, remain \$7 million.

Programs Eliminated

The proposed budget also includes eliminations in several programs. Programs eliminated include:

- Job Training and Education Programs (-\$44.289 million).
- Trauma-Informed Education (-\$0.750 million).
- Mobile Science, Mathematics, and Literacy Education Programs (-\$12.175).

These eliminations affect programs that provide supplemental educational supports, enrichment opportunities, and workforce preparation.

Table 1: FY 2025–26 vs proposed FY 2026–27 (selected education lines)
Amounts are in thousands (as shown in the budget book).

Line item	2025-26	2026-27 proposed	Dollar change	Percent Change
Basic Education Funding	8,262,444	8,312,444	50,000	0.6%
Special Education	1,526,815	1,576,815	50,000	3.3%
Ready to Learn Block Grant	1,383,481	1,948,481	565,000	40.8%
Transfer to Public School Facility Improvement Grant Program	125,000	125,000	0	0%
Pre-K Counts	326,813	334,313	7,500	2.3%
Head Start Supplemental Assistance	90,878	92,964	2,086	2.3%
Pupil Transportation	737,121	752,636	15,515	2.1%
Nonpublic and Charter School Pupil Transportation	67,390	64,468	(2,922)	-4.3%

Line item	2025-26	2026-27 proposed	Dollar change	Percent Change
Career and Technical Education	144,138	158,451	14,313	9.9%
Teacher Professional Development	5,044	7,544	2,500	49.6%
Adult and Family Literacy	16,728	19,674	2,946	17.6%
Authority Rentals and Sinking Fund Requirements	165,074	209,423	44,349	26.9%
Mobile Science, Mathematics, and Literacy Education Programs	12,175	0	(12,175)	-100.0%

Sources: Governor’s Executive Budget 2026–2027, PreK–12 appropriations table and program recommendations.

Why This Matters

Public education funding shapes the opportunities available to children and families across Pennsylvania. Adequate and equitable school funding helps ensure that every student has access to:

- qualified teachers;
- safe and modern school facilities;
- strong academic programs;
- and, career and technical education opportunities.

Yet, large disparities remain between school districts across the Commonwealth. Without sustained investment to close the adequacy gap, many students will continue to face limited opportunities based on where they live.

Closing that gap will require not only continued commitment, but also the revenue to support it. As Pennsylvania faces a growing structural deficit, state leaders will need sustainable new revenue to meet their constitutional obligation to fully and fairly fund public education without cutting other essential services. One way to do so is by making sure that the wealthiest households and highly profitable corporations pay their fair share, while everyday Pennsylvanians and working families receive relief. *Our For Our Common Wealth* campaign advances that vision by calling for a tax system that raises the revenue needed to invest in public education, build strong communities, expand economic opportunity, and strengthen Pennsylvania’s long-term economic future.

Footnotes

1 Education Voters of Pennsylvania, “Adequacy & Equity,” accessed March 8, 2026, <https://edvoterspa.org/adequacy-equity/>

2 Pennsylvania Policy Center, “Pennsylvania’s Path to Adequately Funded Schools,” accessed March 8, 2026, https://pennpolicy.org/research_publication/pas-funded-schools/