

The Public Interest Law Center of Philadelphia

State Education Funding Gaps Widened Last Year

Analysis of data released by the Pennsylvania Department of Education last week reveals that the state's contribution to the cost of funding Pennsylvania's school districts continued to decline as a proportion of total education funding, hitting a new all time low. This placed increased pressure on local school districts to pay for schools, causing Pennsylvania's already large gaps between well funded and underfunded school districts to widen last year.

For Philadelphia the gap in funds available to it compared with neighboring school districts also increased, from \$2,215 per student to nearly \$2,400 per student.

Low State Funding

The state data showed that in 2005-06 the state share of the cost of educating students from K-12 grades hit a new low: 35.4 percent. Only four states (Nevada, Nebraska, Illinois and Missouri) contribute a smaller percentage. During 2005-06 the state increased its contribution by \$275 million or 3.9 percent, but locally raised revenues by school districts increased \$840 million or 7.2 percent.

Large Gaps Between Districts in Funding Students

As a result, the gaps between the school districts in wealthy areas and school districts with little ability to raise revenues increased. The Public Interest Law Center of Philadelphia has calculated the gaps between the amount spent by the top 20% of the school districts (100 districts) and the rest of the districts, which is the standard adopted by the New Jersey Supreme Court. In 2005, 254 districts (54 percent) had gaps of \$3,000 per student. Last year that figure had increased to 338 districts (67 percent) with \$3,000 gaps from the average spending of \$14,735. The gap from the median spending school district has now grown to \$3,843, and there are 232 districts (46%) with gaps in excess of \$4,000 per student. A \$4,000 gap in a class of 25 children is \$100,000

Cities with wide gaps, all greater than Philadelphia's, include: Reading \$6,287; Allentown \$5,730; Altoona \$5,505; Scranton \$4,243; Erie \$4,220; York \$4,040; Wilkes Barre \$3,839; and Lancaster \$3,738. Philadelphia's gap is \$3,244. All of these are significant increases over the year before. A listing of the gap for every school district will be available on the Law Center's website, www.pilcop.org.

The range of spending by districts on a per student basis in Pennsylvania is also one of the highest in the country. The amount spent on a student's education, depending on where they happen to live in the state, ranges from \$8,225 to \$21,435.

Philadelphia's Gap

In the Philadelphia region the gap between rich and poorer districts also continued to grow. Even while spending \$72 million more than it raised in revenues, Philadelphia's spending per student was \$2,378 less than the average of its 61 neighboring districts in the four surrounding counties. Seven of those school districts spent in excess of \$5,000 per student more than Philadelphia (Springfield, Lower Merion, Upper Merion, Radnor, New Hope, Jenkintown and Wissahickon) and another 10 spent in excess of \$3,000 more

per student. If Philadelphia spent the \$2,378 more per student that its neighbors spend on average, it would need \$494 million in additional revenue. Instead of increasing its spending, however, the District is expected to cut \$100 million to make up a projected budget shortfall.

New State-Wide Funding Formula Proposal

Twenty three state representatives, led by Nicholas Micozzie (R) and Kathy Manderino (D) this June introduced HB 1544, the Successful Schools Act of 2007, which would substantially reduce these disparities. It creates a new funding formula calculated to provide sufficient funding to enable all districts to meet the state's 2011 PSSA standards. It is based on each district's number of high risk students and the amounts actually spent by the districts currently meeting the state standards. The bill would provide \$3.4 billion in new state funding to 462 out of the 501 districts, bringing the state contribution to the cost of education to 49 percent.

For further information go to the Public Interest Law Center of Philadelphia website at www.pilcop.org/efq.mpl or call Michael Churchill at 215-627-7100, ext. 228.

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