

PSBA Legislative Priority Issue: Provide a Continued, Fair Financial Investment for School Districts

Act 35 of 2016 makes permanent the student-weighted basic education funding distribution formula that was developed in 2014 by the Basic Education Funding Commission. The formula directs money to school districts based on objective factors, such as student enrollment, the needs of the student population, and school district wealth and capacity to raise local revenues. The new formula gives districts a greater degree of transparency and predictability on funding. It will allow them to plan more accurately for each school year's budget, and ultimately help taxpayers.

Though state government and local school districts are partners in funding public schools of the commonwealth, this partnership has been less than equal. The state's contribution as a percentage of basic instructional expenses has declined from over 50% during the mid-1970's, to about 36% today. Local school districts must make up about 64% of all public education costs. The majority of this funding gap is covered by property taxes, which is troubling from a statewide perspective, but crippling for many individual school districts. Asking impoverished districts with atrophied tax bases to continually generate greater resources at the local level only serves to expand the inequities of the current system and widens the gap between poor and affluent school districts.

The General Assembly should support a significant and continued financial investment for school districts that is distributed using the funding formula established under Act 35 of 2016 that provides districts with the greatest flexibility to use their resources. Pennsylvania must maintain a system of public school financing that emphasizes a sharing of costs between the commonwealth and local school districts, recognizing that the state must provide the majority of funding for public education.