



Good Schools
Pennsylvania

Every Kid Counts.

Pennsylvania Legislative History

A Chronology of Major School Funds Acts by the State Legislature

1874 The Pennsylvania Constitution, Article X Education was passed. "The General Assembly shall provide for the maintenance and support of a thorough and efficient system of public schools, wherein all the children of this Commonwealth above the age of six years may be educated, and shall appropriate at least one million dollars each year for that purpose."

1897 The legislature enacted a new funding plan that allocated one third of funds based on the number of teachers in a county, one third on the number of children and the remaining third on the number of taxpayers.

1903 The General Assembly modified the school finance system by adopting and funding a minimum teacher's salary as part of the system. School districts received an amount necessary to raise teachers' salaries to a minimum of \$35/month. The state was now required to provide subsidies to increase teacher's salaries.

1911 The legislature provided for school districts to fund the education of handicapped children and provided school districts the authority to fund school transportation at public expense.

1921 The Edmond's Act was passed and established the number of students as a basic funding component, funded salary increases for additional years of teaching service and equalized the funding of teacher salaries based on a school district's population.

1923 Amendments to the Edmond's Act were the first attempt to fund districts based on local wealth, thereby promoting equity in school funding. The local wealth measure was the assessed value of property per teacher unit (i.e. per pupil) and provided subsidies depending on that amount.

1947 The State Tax Equalization Board (STEB) was established. The purpose of the Board is to convert aggregate taxable assessments in each school district which are determined by Statewide dissimilar procedures into aggregate market values based on statewide uniform procedures. The Board was established, among other reasons, to reflect unequal local financial abilities of school districts and for the Commonwealth to assume more responsibility for financing the public school system.

1966 The legislature adopted Act 580 that created the Basic Instruction Subsidy and mandated 50% as the average statewide support level. The subsidy had three major

components; the aid ratio, the weighted average daily membership and the reimbursable amount.

1968 The Pennsylvania Constitution adopted Article III, Section 14. "The General Assembly shall provide for the maintenance and support of a thorough and efficient system of public education to serve the need of the Commonwealth."

1971 The legislature enacted a new statewide personal income tax.

1974-75 The peak of the state basic instruction subsidy system. The Commonwealth provided basic subsidy of \$1.2 billion to reimburse expenditures of \$2.2 billion, reimbursing 55% of 1973-74 expenditures.

1977 Act 59 changed the calculation of the aid ratio so that 60% of state aid was based on a district market value and 40% was based on the personal income of the district's residents. This was enacted because the state could not provide increases sufficient to return to the 50% funding and the state was using the information gathered from the 1971 personal income tax law to overcome the deficit.

1982 The legislature stopped making yearly changes to the reimbursable amount and instead implemented a \$72 million dollar supplement called the "Equalized Supplement for Student Learning" (ESSL) that calculated funding disparities by reflecting local wealth and student population changes.

1983 Act 31 replaced the Basic Instruction subsidy with the equalized Subsidy for Basic Education (ESBE) and repealed the 50% subsidy requirement. The Factor for Educational Expense replaced the Actual Instruction Expense factor in the formula and was set each year by the legislature. The result of this legislation was that by the end of the 1980s, our funding system was inequitable for all public school children.

1991 The Pennsylvania Association of Rural and Small Schools (PARSS) with 127 school districts filed a case in both the Commonwealth Court and in Federal District Court. The complaint described the disparities between districts with very few resources and those with great resources and charged that the current Pennsylvania system of funding public education is unconstitutional.

1998 The Pennsylvania Supreme court halts the case in Commonwealth court by saying the issue is for the legislature to decide, not the courts. Lawsuits aimed at funding equalization or adequacy were filed in 40 states since the early 1980s. In 25 cases the courts have ruled that the states must change their funding formulas and funding calculations to ensure an equal opportunity to learn for every child.

Pennsylvania is among a handful of states where the courts have found no compelling reason to change how it is funding schools.

2001 Good Schools Pennsylvania was launched to remedy the fact that educational opportunity across the commonwealth was significantly unequal. Good Schools worked hard to make education a key issue in the upcoming 2002 Gubernatorial race.

2004 Under Governor Rendell's leadership, the General Assembly appropriated funding for the first time to support early childhood education- both through the first-ever state funding to expand the federal Head Start pre-kindergarten program, and through an Accountability Block Grant program that allowed school districts to target money to educational practices with a track record of helping students to achieve academic standards. This marked a huge victory for the citizens of Pennsylvania and Goods Schools Pennsylvania, as well. Previously, Pennsylvania was 1 of only 9 states in the nation that failed to fund pre-kindergarten.

2004 The General Assembly and Governor Rendell introduces Act 72, the Homeowner Tax Relief Act, which sought to relieve some property tax burden through the use of gambling revenue. Act 72 required school districts to raise their earned income tax by one-tenth of a percent in order to qualify for state-funded tax relief, and required districts opting in to send their education budget to voter referendum. The program was not well received by an overwhelming majority of school districts across the Commonwealth.

2006 The 2006-2007 education budget includes a first-time appropriation of \$650,000 to fund a comprehensive study of the educational resources and associated costs of providing each student an education that is line with the state academic standards. This is a landmark victory for education groups and advocates across Pennsylvania.