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Local Property Tax Votes and Proposed State Education Policies Highlight Need for School Funding Reform

(HARRISBURG, PA) Several events of this past week – including decisions made by the State Board of Education and the results of Tuesday’s referendums on property tax shifts – urgently highlight the need for the General Assembly to support reform of Pennsylvania’s system of funding public education.

State Board of Education ups the ante

On Thursday, the State Board of Education began consideration of sweeping changes to Pennsylvania’s requirements for high school graduation. The changes could require all students -- whether they are planning to attend college or enter the workplace -- to pass state tests in math, English, social studies and science. This supports recent recommendations of the Governor’s Commission on College and Career Success.

Additionally, the State Board of Education gave preliminary approval to special education regulations that would strengthen the rights of students with disabilities to be educated in regular classroom settings with supports, and also gave final approval to separate regulations requiring teachers to be more prepared to teach diverse learners.

“These are important reforms that will ultimately strengthen public education,” said Sandy Zelno, school reform associate with the Education Law Center. “However, it is unfair to raise the stakes for students or to expect more of teachers without supporting these reforms with adequate resources.”

Property tax referendum points to need for third option

And the results of Tuesday’s local referendum on school taxes suggest that a majority of citizens believes the state government must play a larger role in reducing property taxes by providing a greater share of overall funding for public education. Despite a long-standing unhappiness with the property tax, voters in almost every school district rejected referendums to switch part of the property tax to a personal or earned income tax.

“Lack of support for Act 1 referendum questions should not be interpreted as contentment with the status quo,” said Ron Cowell, president of the Education Policy and Leadership Center, whose organization, along with the Education Law Center and Good Schools Pennsylvania, is leading a campaign to strengthen the way Pennsylvania funds and supports public education. “Rather, it reflects a growing public awareness that the proposed tax shift does not sufficiently address the important systemic weaknesses that are the responsibility of state government.”

These weaknesses include:

- Pennsylvania ranks among the bottom nationally when it comes to state share of school costs: in 2004-05, the state share of school costs funded by the state budget amounted to 36.0%. Nationally, the average is closer to 50% paid by state governments, the level in Pennsylvania in the 1970’s.

Education Law Center

www.elc-pa.org

Baruch Kintisch (215-238-6970 x 320)

Sandy Zelno (412-255-6414)

Education Policy and Leadership Center

www.eplc.org

Ron Cowell (717-260-9900)

Jane Carroll (717-260-9900)

Good Schools Pennsylvania

www.goodschoolspa.org

Janis Risch (215-332-2700)

- The amount of state appropriations on a per pupil basis also lags the national average by several hundred dollars per student, and lags neighboring states by as much as \$2,500 per student.
- Because of insufficient state funding, public education in Pennsylvania is excessively dependent on local wealth and local taxes, with the result that the quality of educational opportunity for children varies widely.
- Nationally, about 29% of school district revenues come from local property taxes. In Pennsylvania, 44% of school district revenues come from property taxes making Pennsylvania excessively dependent on property taxes as a result of inadequate state support.
- There is a \$10,259 gap between what the highest and lowest spending school districts in Pennsylvania spend per pupil on current expenditures. The highest spending district spent \$18,064 per student in 2004-2005; the lowest only \$6,991. This translates into a \$276,825 gap per classroom of 25 students.
- It is many of the poorest school districts that have the highest tax rates, yet still do not have adequate levels of funding to ensure a high quality education is available to students.

Countdown to Costing-Out Report

The results of a statewide costing-out study should help inform the General Assembly in developing a sound school funding formula that addresses the increasingly rigorous expectations for all of Pennsylvania's students. The study, which is being supervised by the State Board of Education, will be completed by November and will determine the basic cost per student necessary to prepare all students for success. An interim report submitted to the State Board of Education on Thursday discussed the participants and methodologies being used to conduct the study.

"There are better solutions to fixing property taxes AND our schools," said Janis Risch, executive director of Good Schools Pennsylvania. "A far greater share of education funding must come from a state-wide revenue source, while ensuring adequate resources are available so that every school can provide a high quality education for every child. The result of such a plan would be genuine property tax relief, more effective schools, and stronger communities. That's a winning combination for everyone."

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