



Federal stimulus keeps schools, state on track to prosperity

Pennsylvania's school districts can stay on course toward improving their schools while relieving pressure on local property taxes, thanks to the federal stimulus package.

Passage of the fast-moving federal stimulus bill on February 10, 2009 generated much discussion about its permissible uses – particularly that aspect of the education fund earmarked for “state fiscal stabilization.” While many states will be using it to plug deficits in their education budgets, [the Rendell administration](#) this week announced that it will use it to keep schools on track to meeting their adequacy targets under the new school funding formula adopted July 2008.

Pennsylvania's school funding formula is based on a costing-out study of what is required to prepare all of the commonwealth's students to be successful in career or college. The costing-out study identified that some school districts are underfunded by as much as \$4,000 to \$6,000 per student, and that the state's most financially deteriorated communities are tapped out in local property taxes in an effort to keep their schools solvent. Excessive property tax effort squeezes the schools and blights the communities by driving down the local economy.

The landmark funding formula enacted in 2008 sets a target budget for each district based on such factors as student enrollment, and number of students living in poverty or who are learning English. The formula then calculates the state share of school budgets based on the degree of funding gap and the local tax effort. In enacting the legislation last year, the General Assembly committed to meeting state funding targets by 2013, and Gov. Rendell anticipated appropriating \$418 million this year to keep the state on track to meeting that target, and approximately \$700 million in next year's budget.

With more than \$3 billion earmarked for education in Pennsylvania over the next two years, the federal bailout will support the commonwealth in adhering to that time-table. It also includes \$400 million for Title I reading and math programs for low-income students, \$425 million for special education, and \$500 million for college affordability.

While the federal stimulus package provides great opportunity for students and schools across the state, there are challenges inherent in a package of this magnitude. In order to make invest effectively and efficiently, school districts must trust that Pennsylvania will honor its commitment to meet funding targets by 2013.

We're encouraged that Gov. Rendell's proposal keeps its focus on student achievement. Maintaining the accountability measures as part of the Pennsylvania Accountability to Commonwealth Taxpayers Plan (PA-ACT) will ensure that school districts continue to target funding to curriculum and programs that close achievement gaps.