

For Immediate Release

July 4, 2008

**General Assembly enacts new state education formula;
Counts every kid for the first time in nearly two decades**

Philadelphia, Pa. (July 4, 2008) - For the first time in nearly 20 years, the Pennsylvania General Assembly has enacted a state system for funding public education that begins to meet the real needs of students and schools, basing its calculations on the costing-out study commissioned by the General Assembly in 2007.

As part of the 2008-09 state budget, the legislature will distribute education funding using the actual number of students enrolled in each school district. The formula also takes into account ways that school districts are impacted by other variables, such as the number of students in poverty, the number of English language learners, as well as differences in geographic costs, school district size and enrollment trends. The new system also holds school districts accountable for effectively using the new resources to improve student outcomes; school districts with the greatest funding increases and achievement gaps must receive state approval for accountability plans documenting how the new resources will be invested.

The legislation also pledges to meet state funding targets established in the legislation by 2013.

"This is an approach that counts every kid and makes every kid count," said Janis Risch, executive director of Good Schools Pennsylvania, an organization that works at the grassroots level to inform and mobilize citizens in support of an effective system of public education. "This opportunity was realized, in large part, thanks to the perseverance of thousands of citizens who championed the costing-out study and advocated for the new school funding formula to be crafted from its results.

"The passage of the 2008-09 fiscal year budget -- and in it, a new school funding formula -- represents historic reform for Pennsylvania," said Baruch Kintisch, staff attorney for the Education Law Center, an organization that advocates on behalf of students living in poverty, with disabilities, or who are learning English. "By adopting the new funding system, Pennsylvania is no longer one of only a handful of states in the nation to operate without a rational, long-term plan for providing resources to public schools. And unlike other states that achieved school funding reform through lengthy lawsuits, Pennsylvania officials should be congratulated for achieving these reforms without the threat of litigation."

"If the legislature perseveres with this approach over the next few years as stated by the legislation," Risch said, "this formula will ensure that schools have the appropriate level of resources they need to provide a high quality education for every student in every community around the commonwealth."

The 2008-09 budget provides a \$275 million increase in the basic education subsidy. The costing-out study released in November 2007 identified that Pennsylvania is underfunding its public schools by more than \$4 billion, and that many of the poorest communities are shouldering the highest local property burdens, but unable to generate enough revenue to support a quality education. Students working with Good Schools Pennsylvania and the Education Law Center over the past year documented the impact of inadequate resources on their schools in photographs ([click here to view the exhibit](#)) and in video ([view the video here](#)).

"Recent research proves that education is 'Pennsylvania's best investment' with social and economic benefits for every resident and taxpayer," said Kintisch, citing a comprehensive report by professors at Pennsylvania State University ([click here to read the report](#)).

Pennsylvania's new system also begins to reverse the steep decline in the state share of overall education spending, which has fallen to one of the lowest in the nation (36% compared to a national average close to 50%), and should begin relieving the tremendous pressure on local property taxes caused by Pennsylvania's historically low state share of education spending.

Kintisch and Risch also pledged to continue working to strengthen Pennsylvania's system of education finance and public education.

"The reforms take a giant leap forward, and the General Assembly and governor are to be commended for that," said Kintisch. "However, the new funding system is not complete. Compromises were made during legislative negotiations, including directing \$25 million dollars to districts already spending close to their 'adequacy level' instead of more disadvantaged districts."

Other areas identified in need of improvement include addressing special education funding, which was left out of the reforms; "marrying" property tax reform to school funding reform to ensure no districts are overtaxed locally to provide their share of education funding; and working to secure long-term commitments from the state to continue using the costing-out process based on the real needs of students and schools, which would allow them to budget and plan using a more predictable state funding system.

"The systemic funding reforms made in the 2008-09 budget should become the foundation used in education budgets for every year," said Risch, "so that we stay on this path of supporting students and strengthening our schools and communities."

[Click here](#) for more detailed analysis and information.

###

Primary contacts:

Baruch Kintisch, staff attorney, Education Law Center, (215) 837-2499, bkintisch@elc-pa.org
Janis Risch, executive director, Good Schools Pennsylvania, (215) 681-6213, janis@goodschoolspa.org