

A School Funding Formula to Raise Student Achievement

Adequate School Funding Means More Resources In the Classroom

- All school districts that receive significant funding increases under Pennsylvania's new funding formula are required to invest in programs and services that are proven to help students learn.
- The Department of Education is responsible for approving the investment plans of all academically challenged school districts – ensuring strong taxpayer accountability for these new resources.
- As a result of the first two years using the funding formula...
 - ✓ 560,188 students have benefited from tutoring, longer school days or other strategies that provide more time to learn;
 - ✓ 406,562 students are in advanced courses or are being taught using new curricula; and
 - ✓ 24,099 children have benefited from smaller class sizes in K-3 or access to pre-kindergarten or full-day kindergarten.

Two years ago, the General Assembly enacted Pennsylvania's first school funding formula in more than 15 years – setting the commonwealth on the path towards adequate resources in every classroom and easing the burden of local school property taxes. Today, we have proof that the funding formula is working.

Because of our increased investments, Pennsylvania leads the nation in academic progress. Nearly three-quarters of our students are testing on grade level in reading and math, and the percentage of students testing at “below basic” – the lowest range – has dropped.

Our progress has been driven by school districts that have received the most significant increases in state resources since 2002. These districts have seen an average 37 percent increase in the proportion of students performing at grade level in reading and math.

An increased investment in schools at the state level also reduces the reliance on local property taxes to fund schools. Governor Rendell's 2010-11 budget proposes a third-year investment of \$354.8 million to demonstrate the commonwealth is serious about meeting its commitment to provide adequate resources using the new funding formula, even during another difficult budget year.

Here is how the funding formula works:

1. It establishes an **adequacy target** for each school district as recommended by the legislature's Costing-Out Report.
2. Comparing the adequacy target to each district's actual spending determines the district's **adequacy gap**. The formula calculates the **state share** needed to help close that gap in each district.
3. The formula ensures that **new resources increase educational services** – as shown in the box at left.
4. In 2010-11, the state will fund 41 percent of the state's share of schools' adequacy gaps. In 2008-09, the state funded just 10 percent of the adequacy gap.

A quality education is a fundamental economic development tool, benefiting families, communities and employers. In all times, but especially in tough times, we must continue to invest in our students as an investment in Pennsylvania's future.