PA's Basic Education Formula

How It Works

The formula determines each school district's share of state basic education funding using a series of factors.

Number of school

districts in PA, and therefore, the number of slices of the pie.

500

Determining each school district's fair share

The formula doesn't determine the size of the pie, it only slices the pie the General Assembly bakes. Each school district's slice is determined by student and district factors that can be sorted into when more gets you more and when more gets you less.

More gets you more funding:

- number of students
- students in poverty
- charter school students
- English language learners
- geographic sparsity
- local tax effort

More gets you less funding:

- median household income
- capacity to raise funds locally

8.8%

to the other 143 districts.

Percent of total basic

 spending per weighted student

Amount appropriated for basic education funding in the 2018/19 budget.

Hold-Harmless

PA has 2 pies for basic education funding. The bigger pie is the base amount (2014/15 funding level) that each school district is guaranteed. The smaller pie represents new funds since 2014/15 that are distributed using the formula.

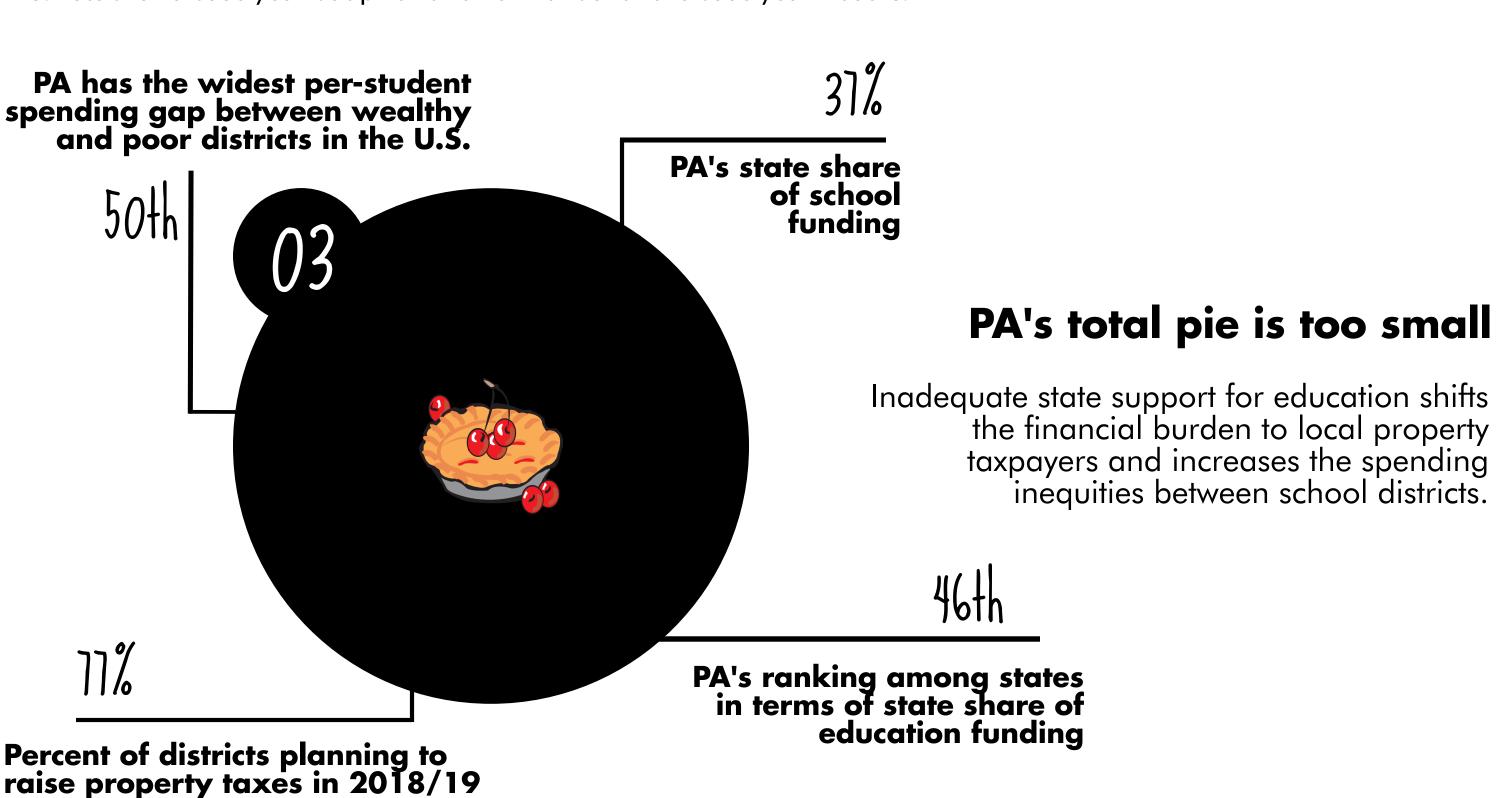
The BEFC recommended against eliminating holdharmless in its entirety in one year, noting that it would be too difficult for SDs to right-size their budgets and taxes.

Number of ways to deal with the hold-harmless issue outlined by the **Basic Education Funding Commission**

1. Establish a base year and run new funds through the formula (current law).

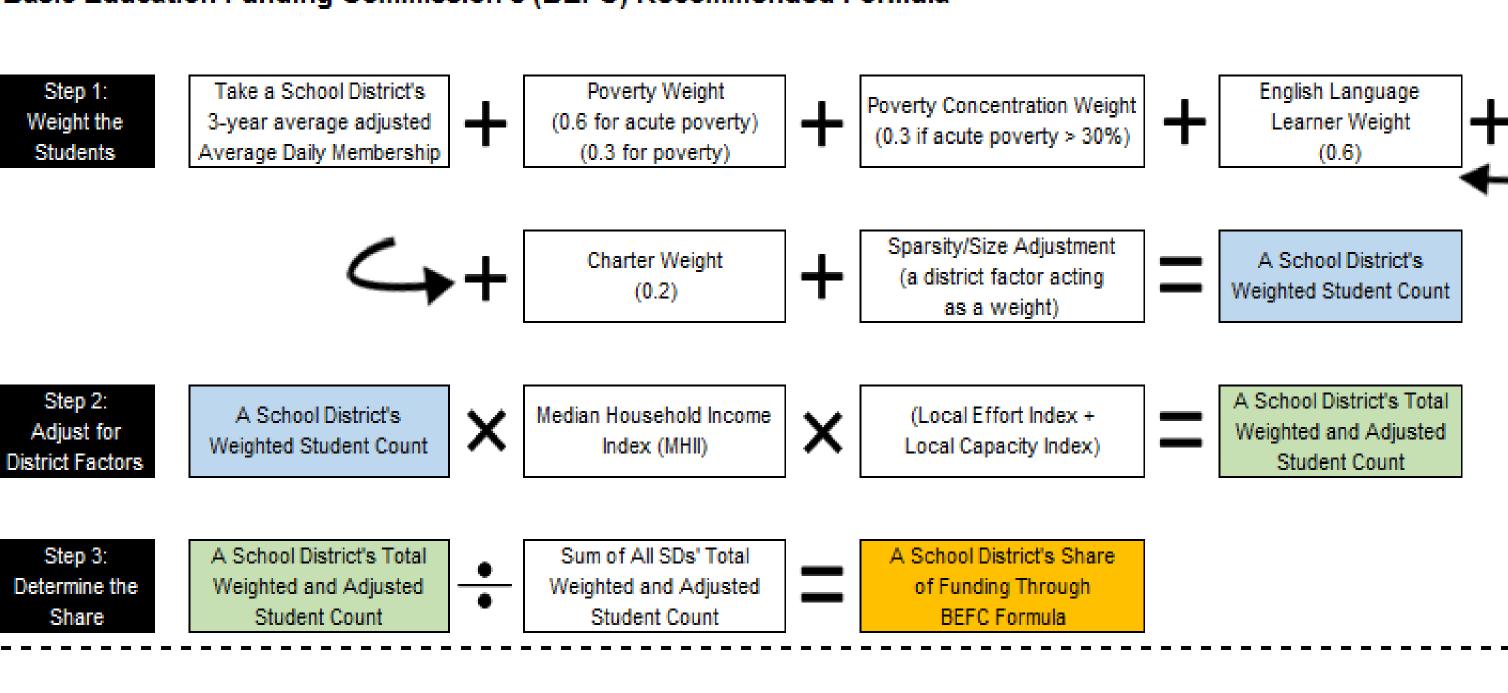
2. Run an increasing share through the formula each year (e.g. 10% year 1, 20% year 2, ...) 3. Establish a base year but prioritize new funds for the base year "losers."

education funds distributed through the formula in 2018/19 (\$539 million out of \$6.1 billion). 35 **Number of school** districts that benefit from the 2014/15 base year. **Eliminating hold**harmless entirely would redistribute \$1.17 billion from these 357 districts



Visualize the Formula

Basic Education Funding Commission's (BEFC) Recommended Formula



Sources:

finance.html

PA Department of Education's 2016/17 Annual Financial Reports

http://www.washingtonpost.com/news/local/wp/2015/03/12/in-23-states-richer-schooldistricts-get-more-local-funding-than-poorer-districts/

https://www.census.gov/data/tables/2016/econ/school-finances/secondary-education-

http://file2.pasbo.org/Budget%20Report%202018%20FINAL.pdf