



# Institutionalizing Educational Equity: Pennsylvania Education Funding Reform

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## **Abstract**

In order to combat educational inequality in Pennsylvania, we propose a funding formula to be implemented at the state level. This formula will include various factors that will help to better account for the diversity in characteristics found in districts around the state. Specifically, our new formula includes a base cost, a size factor, a property value factor, a poverty factor, and an English proficiency factor. These funds will be distributed by the state with flexibility for their specific implementation within each district, while a state oversight committee will ensure their effective usage in developing proper curriculum and supplemental extracurricular programs. A more equitable distribution of funds will help to provide post-graduation success for Pennsylvania students.

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## **I. Introduction**

Benjamin Franklin famously said, “An investment in knowledge pays the best interest.” This influential thinker recognized the power of education, and it is time that we follow suit work to innovate Pennsylvania’s own education system. Pennsylvania schools have successfully educated millions of children, however, the state’s current funding system creates steep barriers for children in school districts with low property values. As the state of Pennsylvania faces many changes, education will remain a valid opportunity to invest in the future of the state. The tenth Education for All Global Monitoring Report shows that “every \$1 invested in education and youth skills in developing countries generates \$10-\$15 in economic growth,” and that “around 171 million people could be lifted out of poverty if all students in poor countries had basic reading skills” (One Dollar). While the state of Pennsylvania is not considered to be a developing country, many impoverished Pennsylvania school districts could produce great returns on every additional dollar invested.

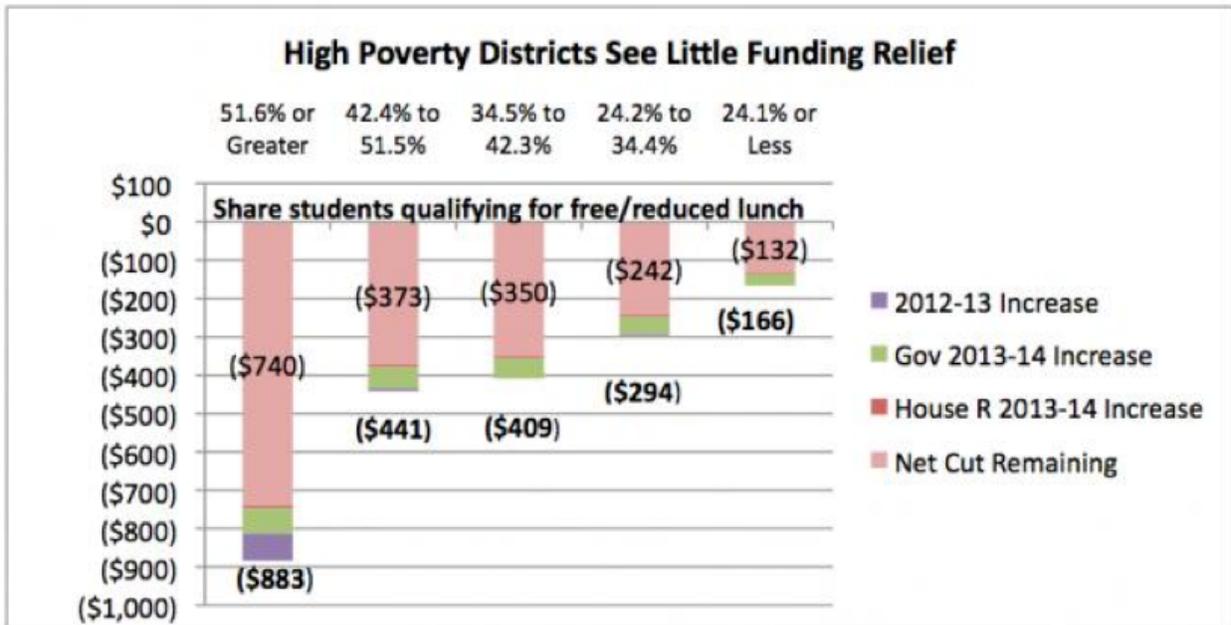
Pennsylvania ranks 47th in terms of state share educational spending. While, on average, states in the U.S. contribute 44% of the overall state education budget, Pennsylvania contributes only 34% of the budget (Pennsylvania School). As a consequence of a lesser state share of the funding, the education system in Pennsylvania relies heavily on local taxes. The divergent levels of property wealth across the state have led to a wide disparity between school districts.

## **II. Evidence of the Disparity:**

In the 2011-12 State Budget, Pennsylvania faced a dramatic decrease in education funding, reducing funding to districts by nearly \$900 million. Representative James Roebuck Jr., the minority chair of the House education committee describes the effects of these cuts:

You find an increasing number of schools in financial distress. Even now, more affluent districts are beginning to see they are three or four years away from a major financial debacle. ... They relied on reserves to get over initial cuts, but now schools have laid off teachers, they've laid off staff, they've reduced programs. Some schools have cut arts and music, they've cut libraries, they've cut sports. (Education Budget)

However, the students in the poorest districts are bearing the largest cuts, making it even harder for students with the greatest disparities to achieve. According to the Associated Press, "The hardest-hit districts, such as Harrisburg, Philadelphia, Reading and York, lost more than 10 times the money per student as some other districts, such as Cumberland Valley in Cumberland County, Council Rock School District in Bucks County, North Allegheny in suburban Pittsburgh and Tredyffrin-Easttown in Chester County" (Poor Schools).



As the creators of the figure above describe, “Districts with more than 50% of students categorized as low-income had per-student cuts of \$883 on average in 2011-12, more than five times higher than districts with a quarter or fewer low-income students, whose cuts totaled \$166 per student on average.” The students who face the greatest economical challenges are now facing further disadvantages within their education. While the Pennsylvania General Assembly has attempted to alleviate some of the impact from these devastating cuts by approving \$49 million in funding for severely impoverished school districts, it is still not enough. Many desperate districts were even excluded from extra funding, including Philadelphia, revealing the manner in which this aid overlooked desperate communities, skewed funding and overall how this funding can be considered nothing more than a poorly planned temporary fix. While certain affluent districts cannot support their art programs, the poorer districts can no longer ever afford to buy textbooks and in recent years, these districts continue to see little relief.

Further, the Education Law Center, a legal advocacy organization in Pennsylvania, and the Public Interest Law Center of Philadelphia reports on March 26, 2014, that they are strongly considering a lawsuit against the state within the next few months. The Executive Director of the

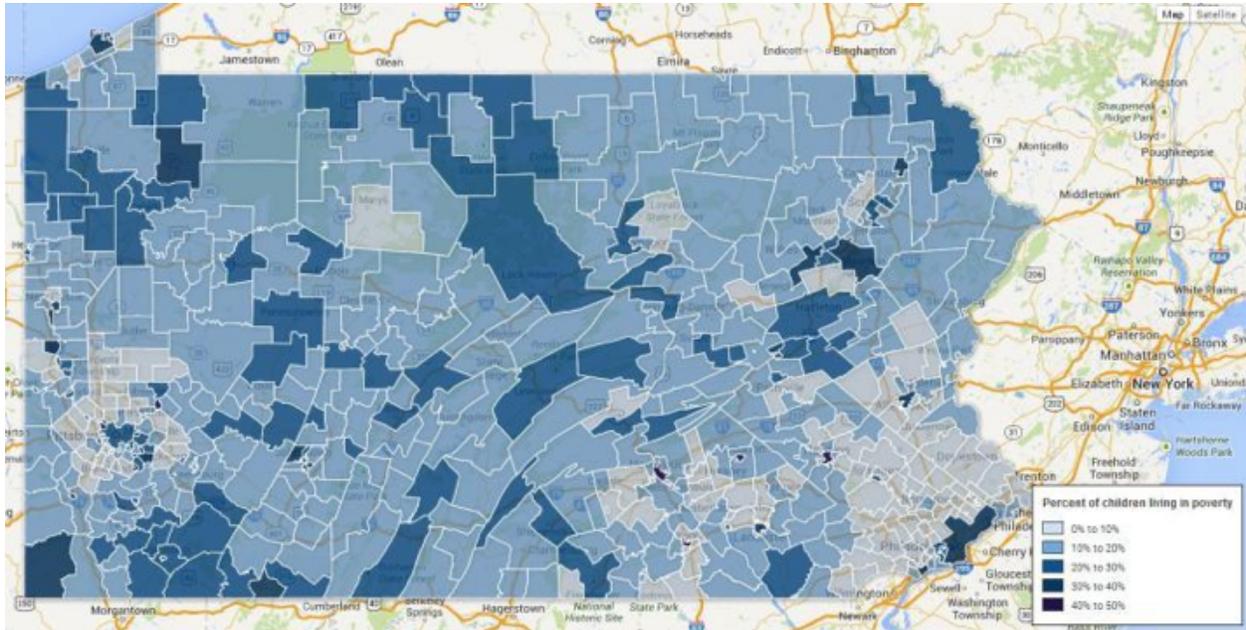
Education Law Center, Rhonda Brownstein, describes the reasoning “By failing to provide adequate funding to allow all students to meet standards, the state is violating the ‘thorough and efficient clause’ of the Pennsylvania constitution”. With the implementation of Act 61 in 2008, Pennsylvania determine “adequacy targets” that was the level of education students in the commonwealth should receive. The “Costing Out” study, upon which Act 61 was based, determined that Pennsylvania schools would require an additional \$4.3 billion in order to meet these new adequacy goals (PSEA). Lawsuits of this kind are not uncommon: in 1997, the Ohio state high court ruled in *DeRolph v. State* that Ohio’s school funding model is unconstitutional, describing that “Ohio’s reliance on local tax dollars leaves too much to the chance of where someone is born and raised. Property-rich districts could provide an education that property-poor district could not afford.”

It seems that over fifteen years later, Pennsylvania is still facing these exact issues. Money impacts an education, as young students who attend well-financed and well-resourced districts are ultimately more likely to succeed. As the education law center describes, “Money matters in education, and children attending well-resourced schools perform better on achievement tests. Pennsylvania is one of only three states that creates budgets without using a statewide education funding formula” (Education Law Center)

An education funding formula needs to be created to successfully distribute funding to public schools, and to ensure that all children receive a quality education regardless of where they are born. Currently, the reliance on local tax dollars over state allocated funds for education forces a student’s future to be dependent on where they are born and raised. Property rich districts are able to provide a better education for their students than impoverished ones can. To

emphasize this disparity, a comparison between Reading and Tedyffrin-Easttown School district is provided below:

The City of Reading provides a clear example of this point. An old industrial town with a population of 80,000, Reading is home to a large Latino and African American population and a high rate of poverty. The Reading property tax rate is 29 mills (\$29 in tax is levied per thousand dollars of property value). This rate is significantly higher than the state average of 20 mills. Despite this high rate of taxation, Reading raises a scant \$2,245 per pupil locally for its schools. The state contributes \$4,914 per pupil, or 69 percent of Reading's school budget. Reading's total per pupil funding is only \$8,430, ranking 487th in the state out of 501 districts. By contrast, suburban Chester County's nearby Tedyffrin-Easttown School District is able to raise \$12,680 per pupil locally with a tax rate of only 14.5 mills – generating almost six times as much money per pupil as Reading from taxes set at half the rate. Although the state gives significantly more per-pupil funding to Reading than it does to Tedyffrin, there remains a \$6,500 per-pupil spending gap between the two districts. Multiplied over a classroom of 25 students, the difference in spending between these neighboring districts grows to \$162,500 per classroom per year. (DiBerardinis)



The Pennsylvania State Education Association describes the cyclic influence of education on a community's economy:

This lack of state support and over-reliance on local property taxes for funding, particularly in those school districts with the least amount of local resources, creates inequitable academic opportunities for students and undermines the ability of local communities to meet their full economic potential because of higher local taxes and, at times, struggling public schools. (PSEA)

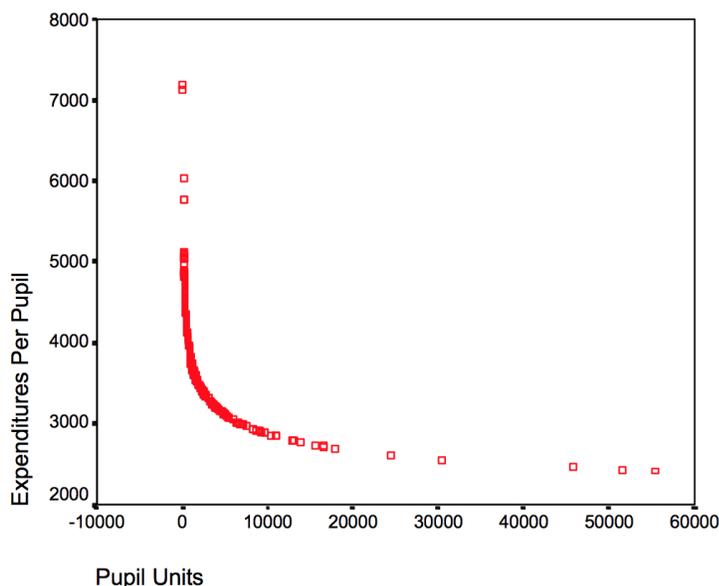
Pennsylvania needs to enact a funding formula to ensure the equity of education for all Pennsylvanian students. In order to understand the potential impact of such a formula, the following case studies present a variety of state models after which Pennsylvania's formula can be modeled.

### III. Case Studies from Other States:

#### *Minnesota:*

The varying sizes of schools make ensuring equal funding a particular challenge in Minnesota. Before reform, Minnesota’s state funding formula assumed that per pupil funding that was needed to provide an education was equal across school without regarding the varying size of the district. This was evident in their linear formula that was used to distribute state funds to districts.

In the paper “Making Difficult Times Worse: The Impact of Per Pupil Funding Formulas on Rural Minnesota Schools” by Dr. Jackie Edmondson and Dr. Gregory Thorsen, they determined that the amount of money that was required per pupil to provide an equal educational experience is higher in smaller schools. They demonstrated this by developing a model that better reflects the costs of educating students and concluded that in order to account for this difference in necessary funding, a logarithmic formula, instead of a linear one, would be the best way to determine a distribution of funding that would equalize the education received.

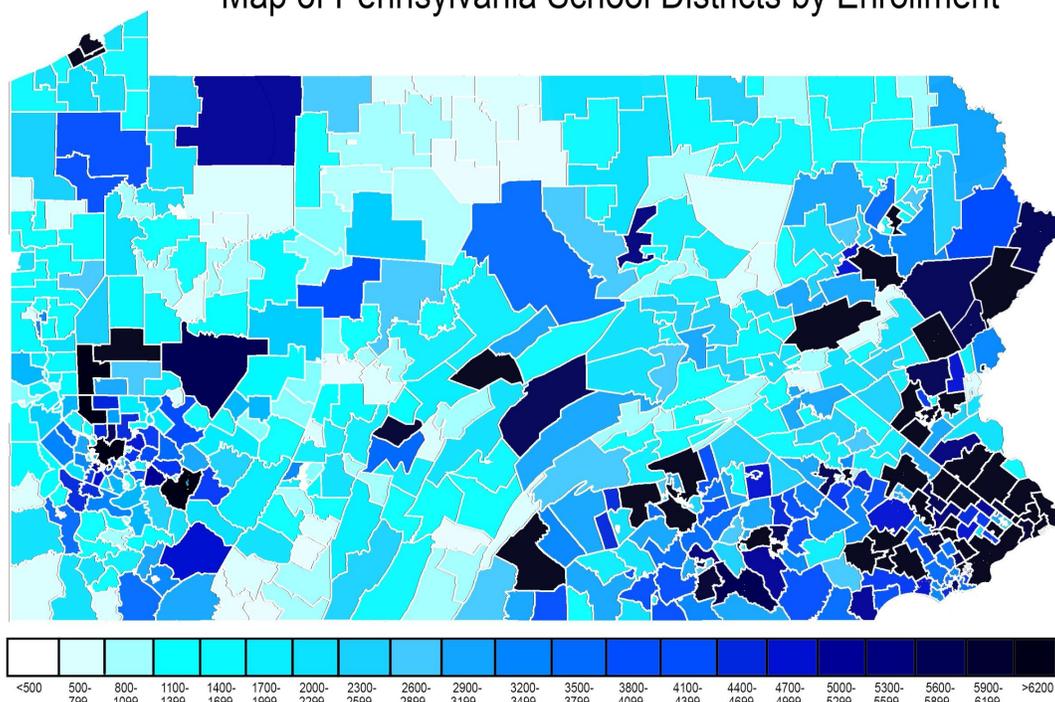


Predicted Expenditures Per Pupil Using The Model  
As modeled by Edmondson and Thorsen

Before this reform, incorporating the size of the school into the funding formula, smaller schools were required to collect more local funds in order to make up for the difference in the amount of money provided by the state and the actual cost of educating students. This was extremely harmful to those communities because the smaller schools that required this supplemental funding are found mainly in rural areas: Minnesota's agricultural communities, which are already not as well off and have suffered financially in the past. The state funding tried to account for this by providing some supplementary funds for schools that were very isolated, but this tended to be a relatively ineffective system due to its strict and substantial qualification specifications. These agricultural districts are also the districts that are least likely to be able to afford to make up for the differences in the costs of education through increased property taxes.

The variation in the size of school districts is also very evident in Pennsylvania, making it important to include a size factor into the proposed funding formula. This is shown clearly in the following figure, which shows the sizes of each school district in Pennsylvania. Schools districts range from less than 500 students per district to more than 1000 students per grade. The trend described by Edmondson and Thorsen is also seen on this map of Pennsylvania, where the smaller school districts are located in agricultural districts already facing financial hardships.

## Map of Pennsylvania School Districts by Enrollment



Information from Proximity One Decision Making Information 2008/2009

To combat this source of educational inequality in Minnesota, Edmondson and Thorsen proposed "Small School Revenue". The proposal became an amendment to the state funding formula that incorporates a logarithmic element in order to better account for the differences in funds required to provide an equal education to students in smaller schools. Though a formula like this in Pennsylvania would need to be revised in order to better represent the varying funds needed by districts in Pennsylvania, the exact formula that Edmondson and Thorsen determined was most appropriate for Minnesota is  $\text{Expenditures Per Student} = \frac{b}{\log_{10}(x)}$  where x is the pupil units in the school district. This formula results in an average increase of \$299 per pupil in schools that qualify for this extra funding. In total, the increase in state funding necessary for the implementation of the amendment is an additional \$15 million, which is equivalent to .6% of the overall state funding for education.

*California:*

California previously had a similar type of education funding distribution as Pennsylvania, where much of school district funding came from local property taxes. After recognizing the lack of educational equality within the system, a new funding formula was proposed and implemented in California. The formula, The Local Control Funding Formula (LCFF), was introduced by Governor Jerry Brown and was approved by legislators in 2013. The formula accounts for each district's share of low-income students, English-language learners and foster children (Kalb and Lambert, California's New Education Funding 1).

The Local Control Funding Formula (LCFF) provides base, supplemental, and concentration grants in addition to the existing K-12 funding that was previously provided. For county offices of education (COEs), the formula creates separate funding for their oversight activities and instructional programs. Currently, the budget for the formula is \$2.1 billion for school districts and charter schools and an additional \$32 million for first year implementation of LCFF in COEs. Many of these initiatives haven't been implemented yet because the transition from old to the new requires some time. The initiatives of LCFF are in the process of being implemented while the \$32 million for first year implementation will allow for a smoother transition and a faster adoption process.

The LCFF has the following components in its formula:

- Provides a base grant for each local education agency equivalent to \$7,643 per average daily attendance (ADA). The actual base grants would vary based on grade span.
- Provides an adjustment of 10.4 percent on the base grant amount for kindergarten through grade three (K-3). As a condition of receiving these funds, the local education agency shall progress toward an average class enrollment of no more than 24 pupils in

kindergarten through grade three, unless the local education agency has collectively bargained an annual alternative average class enrollment in those grades for each school site.

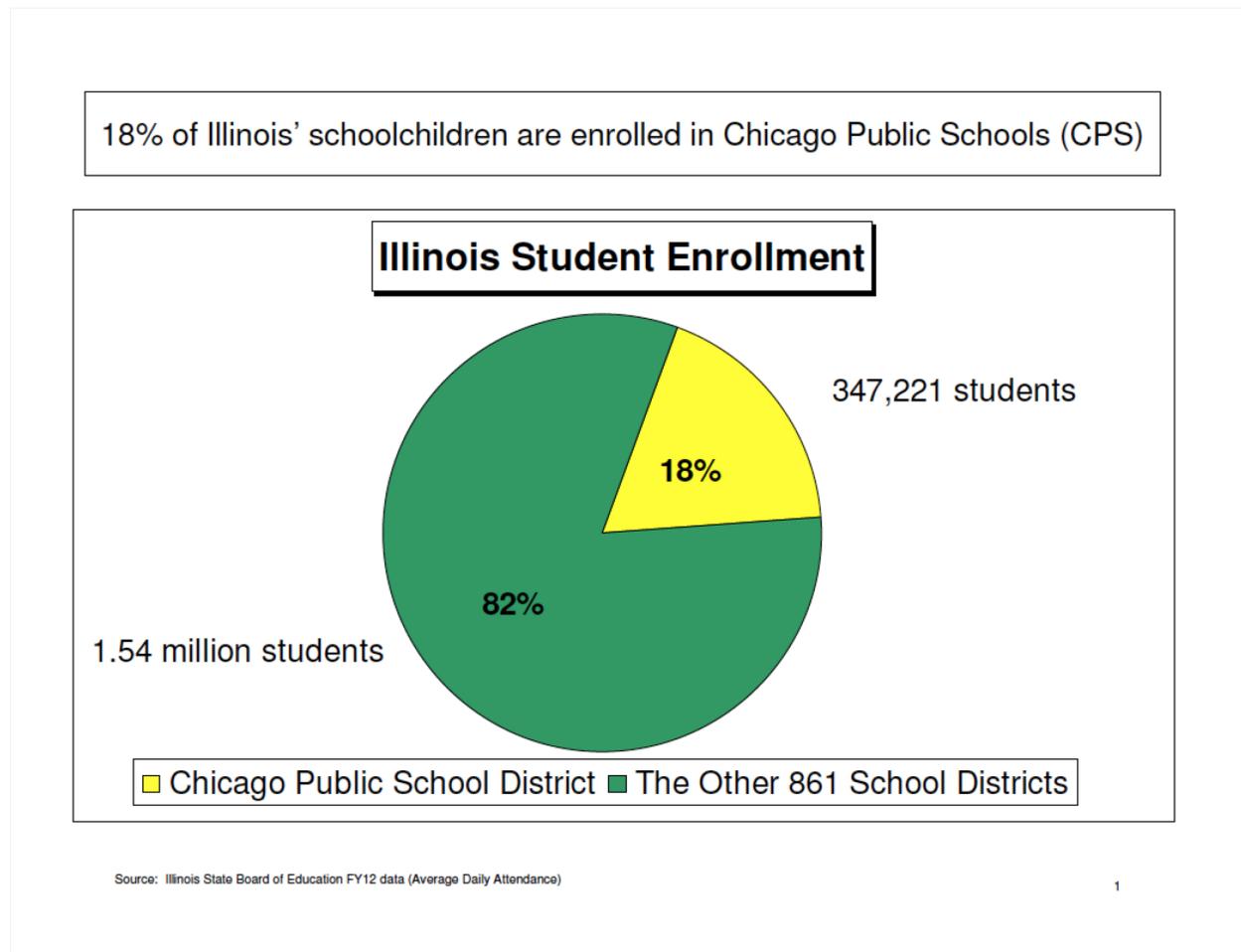
- Provides an adjustment of 2.6 percent on the base grant amount for grades nine through twelve.
- Provides a supplemental grant equal to 20 percent of the adjusted base grant for targeted disadvantaged students. Targeted students are those classified as English learners (EL), eligible to receive a free or reduced-price meal (FRPM), foster youth, or any combination of these factors (unduplicated count).
- Provides a concentration grant equal to 50 percent of the adjusted base grant for targeted students exceeding 55 percent of an local education agency's enrollment.
- Provides for additional funding based on an "economic recovery target" to ensure that virtually all districts are at least restored to their 2007–08 state funding levels (adjusted for inflation) and also guarantees a minimum amount of state aid to LEAs.

("Local Control Funding Formula")

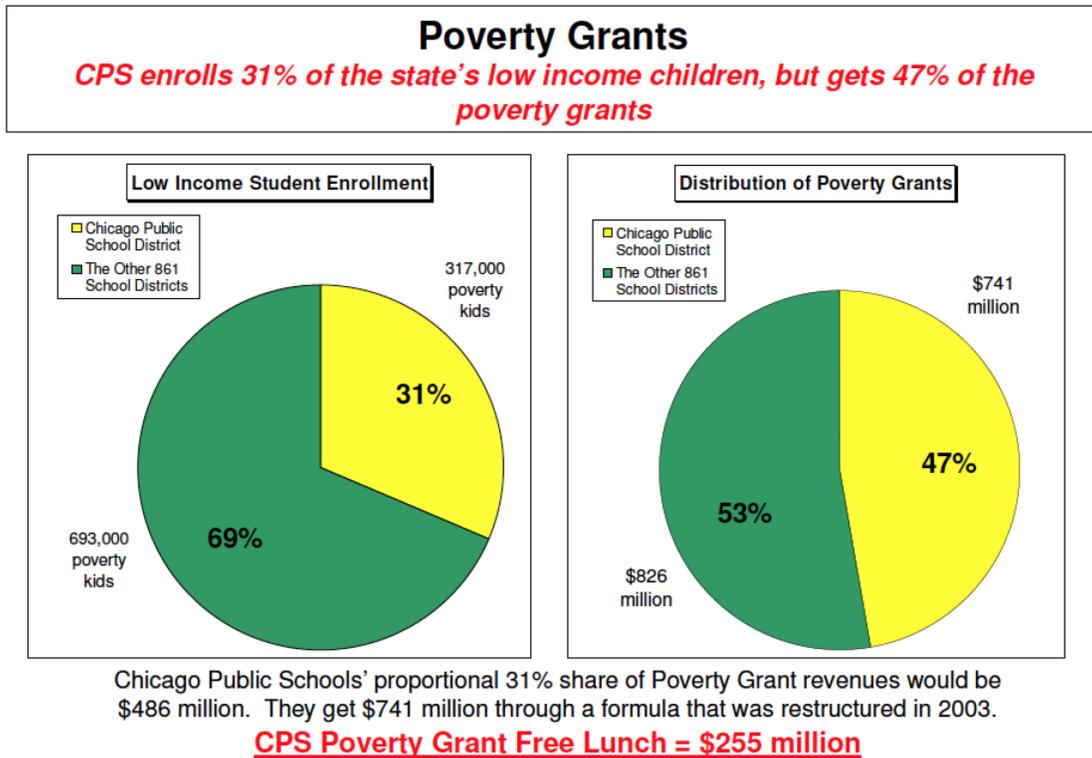
School districts have the ability to use their additional funding for targeted student services, school-wide programs and district-wide programs (California's New Education Funding). The California LCFF is relatively new and many of its initiatives have yet to be implemented. There hasn't been enough time to be able to discern its effects. However, it is important to note that California created a new funding formula, due to the ineffectiveness of the previous equation. This formula serves as a good trial-and-error for other states that seek to implement changes in their own state funding allocation.

*Illinois:*

As it currently stands, the state of Illinois experiences high discrepancies between its school districts educational funding and serves as an example of a state that is striving toward resolving it. The figures below are from The 2013 Illinois State Board of Education Report and reveal the stark discrepancies of school funding in Illinois. This report compares the Chicago Public school district with the other 861 school districts in Illinois to show that Chicago is receiving a disproportionate amount of funding; in turn, providing evidence to conclude that there is educational inequality between school districts in Illinois.



In the graph above is a comparison between the number of students enrolled in Chicago Public School District and the number of students enrolled in the other 861 Illinois school districts. The Chicago School District has about 18% students enrolled of the total Illinois Student Enrollment (Illinois Senate Republicans).



Source: Illinois State Board of Education FY12 data

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The graph above presents the discrepancy between the number of low-income students enrolled in all districts and the amount that they receive in poverty grants. Chicago Public Schools enroll 31% of the state's low-income children, but receive 47% of the poverty grants. Illinois' current funding accounts for low-income students by allocating money toward poverty grants. However, the formula lacks equitability in its distribution. Illinois uses a curvilinear formula, which provides a poverty grant of \$2,513 to an impoverished student in Chicago and a

poverty grant of \$390 to an impoverished student in Mt. Zion (Illinois Senate Republicans).

## Who Really Gets a Free Lunch?

|                      |           | % of Enrollment |
|----------------------|-----------|-----------------|
| Chicago Enrollment   | 347,221   | 18%             |
| Downstate Enrollment | 1,542,208 | 82%             |

|                      |         | % of Free Lunch |
|----------------------|---------|-----------------|
| Chicago Free Lunch   | \$772 m | 88%             |
| Downstate Free Lunch | \$104 m | 12%             |

|  |                |
|--|----------------|
| <b>Value of Chicago Free Lunch Per Student</b>   | <b>\$2,223</b> |
| <b>Value of Downstate Free Lunch Per Student</b> | <b>\$67</b>    |

Source: Illinois State Board of Education Data

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Another example of discrepancies can be found in the Illinois free lunch system. The figure above shows the Chicago Public Schools in relation to all education funding in the state. Chicago Public Schools receive \$772 million in free lunch costs while the downstate area receives only \$104 million. The value of free lunches provided per students is \$2,223 in Chicago as compared to a \$67 value of free lunches per student in the downstate area (Illinois Senate Republicans).

**25 School Districts get 69% of FY13 Poverty Grants.  
These schools represent 30% of total ADA enrollment in Illinois**

|    | District Name                    | County    | FY 13 Poverty Grant Claim |
|----|----------------------------------|-----------|---------------------------|
| 1  | City Of Chicago School Dist 299  | Cook      | \$796,081,105             |
| 2  | Rockford School Dist 205         | Winnebago | \$46,793,321              |
| 3  | Aurora East Unit School Dist 131 | Kane      | \$38,403,232              |
| 4  | Cicero School District 99        | Cook      | \$37,190,561              |
| 5  | Waukegan C U School Dist 60      | Lake      | \$34,312,372              |
| 6  | School District 46               | Kane      | \$24,867,318              |
| 7  | Peoria School District 150       | Peoria    | \$23,820,478              |
| 8  | East St Louis School Dist 189    | St Clair  | \$21,195,278              |
| 9  | Springfield School District 186  | Sangamon  | \$19,926,695              |
| 10 | Joliet SD 86                     | Will      | \$19,554,773              |
| 11 | Decatur SD 61                    | Macon     | \$18,654,349              |
| 12 | Thornton Twp H S Dist 205        | Cook      | \$16,265,754              |
| 13 | J S Morton H S District 201      | Cook      | \$16,221,365              |

|    | District Name                     | County    | FY 13 Poverty Grant Claim |
|----|-----------------------------------|-----------|---------------------------|
| 14 | Maywood-Melrose Park-Broadview-89 | Cook      | \$14,193,925              |
| 15 | Cahokia Comm Unit SD 187          | St Clair  | \$11,842,259              |
| 16 | Kankakee School Dist 111          | Kankakee  | \$11,234,422              |
| 17 | Round Lake Area SD 116            | Lake      | \$10,994,681              |
| 18 | Danville C C School Dist 118      | Vermilion | \$10,018,569              |
| 19 | Chicago Heights SD 170            | Cook      | \$9,769,220               |
| 20 | Valley View CUSD #365U            | Will      | \$8,834,508               |
| 21 | Proviso Twp H S Dist 209          | Cook      | \$8,773,553               |
| 22 | Aurora West Unit School Dist 129  | Kane      | \$8,427,807               |
| 23 | Dolton School District 148        | Cook      | \$7,961,711               |
| 24 | North Chicago SD 187              | Lake      | \$7,546,398               |
| 25 | Harvey School District 152        | Cook      | \$7,199,165               |

Source: Illinois State Board of Education FY13 data

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Poverty grants that are apportioned to each school district are presented above. 25 out of 862 Illinois school districts receive 69% of the FY13 poverty grants, yet they only represent 30% of the total average daily attendance enrollment in Illinois. David Lett, a superintendent of schools in the central Illinois town of Pana, told the board that his district has one-third of the funds of the city, Seneca, located about 150 miles to the north of Pana (Lester). The above data makes a clear outline of information that gives support to his case. Although the charts specifically relate to Chicago Public school districts vs. others districts, they clearly manifest the educational inequality issue in Illinois.. The evidence affirms that districts with many low-income students are at a disadvantage because they receive less funding and have little resources.

This year, the state of Illinois allocated \$6.7 billion for educational funding. However, less than 45 percent of that money was spent on general aid. A bill, sponsored by Democratic state Senator Andy Manar, has been introduced to the Senate floor, which proposes to increase the general aid amount to 92% and distribute it according to districts' local need (Wall, Lester, "Fix State's School Funding"). The new weighted formula would account for low-income students by factoring in the number of students receiving free and reduced-priced lunches, which would determine which districts would get additional funding (Lester Wall, Lester, "Fix State's School Funding"). Equalized poverty grants are necessary because public schools in Illinois are largely funded by property taxes, creating inequality where poor districts spend far less than the wealthy ones ("Fix State's School Funding"). A more equalized state general aid would allocate money to the property-poor districts giving more opportunity to impoverished students. While this bill is still a work in progress, it shows that the state of Illinois is moving in the right direction toward fixing educational inequality and equalizing opportunity among its students, a movement Pennsylvania should consider as well.

#### **IV. Reformed State Education Funding Formula**

PA needs to implement a funding formula that accounts for size, poverty, and additional student needs. According to the Education Law Center, "Pennsylvania's last update of student data and costs, revealed that Pennsylvania has an adequacy gap of approximately \$2,400 per student". It is clear that Pennsylvania's current system is not facilitating an adequate education to all students in the Commonwealth. While Pennsylvania currently uses the equation, \$108 times 2012-13 Average Daily Membership (ADM), multiplied by the Market Value/Aid Ratio (MV/AR) for 2013-14 in order to determine district allocation, Pennsylvania's funding formula

should use a base cost plus factors to account for size, property values, and additional student needs, such as students in poverty, and students who require English as a Second Language (ESL) services. Many other states, such as Minnesota, California, and Illinois, use factors other than ADM and Pennsylvania should adopt similar measures to account for the needs of districts.

The proposed funding formula would have the equation:

Base Cost + Size Factor + Property Value Factor + Poverty Factor + English Proficiency Factor

Base cost is “the annual funding – absent additional factors for student and district differences – required for a student to meet state academic standards” in all school districts. The concept of a base cost would ensure that all school districts received enough funding to meet the cost of educating students without accounting for differences among school districts or students. Therefore, while implementing the additional factors would allow struggling school districts to obtain the funds necessary to educate their students, the base cost would ensure that wealthy districts still have the requisite funds to continue providing high quality education to students. According to the Education Law Center, 36 other states use a base cost in their funding formulas.

With a wide range of school district sizes across the Commonwealth, Pennsylvania should account for the increases in the cost of education for students in small school districts. The case study of Minnesota’s rural school funding reforms proves that the cost to educate each student increases in smaller schools. Therefore, the proposed funding formula would allow small school districts to access a greater allocation of the state funds, in order to make up for the lack of economies of scale.

As Pennsylvania’s current funding system heavily relies on local property taxes, districts with higher property values are able to bring in more money than areas with low property values.

In areas with low-income housing, local property taxes are not only a large financial strain on households, but the tax revenue is simply not enough to finance an adequate education for the children in the district. While poor areas lead to poor schools, poor schools can then also lead to poor areas, as the low quality of the schools in the district deter new residents and professionals and may further decrease the property values of the homes in the districts. As property values and the quality of local schools are inextricably linked, a funding formula which accounts for the disadvantages of poor areas will allow Pennsylvania to begin reducing the adequacy gap and to begin ensuring quality of education to all students in the state's public school system.

While all school districts must face the challenge of educating students with diverse abilities and disabilities, some school districts have large percentages of students with extra educational needs, such as learning needs affected by poverty or English language proficiency. Therefore, Pennsylvania's reforms to the funding formula should include a Poverty Factor, and an English Proficiency Factor.

While the proposed formula would account for property values, the formula also must account for the additional costs to educating students in poverty. Students in poverty are often faced with many learning challenges, as many impoverished students do not have the financial resources to attend pre-school and consequentially enter kindergarten already academically behind their wealthier counterparts. Therefore, schools need additional resources in order to address the obstacles facing low-income students. According to the Center for American Program, "by age 4, low-income children have heard 30 million fewer words than children from more-affluent families and have vocabularies that are half as extensive:" and the "gaps that start at an early age only grow larger, and catching up becomes ever more difficult" (Ahmed). The state can easily determine the poverty factor for each district by analyzing the percentage of

students receiving Free and Reduced Lunch through the National School Lunch Program, as eligibility in the program is based on particular percentages above and below the poverty line. Additionally, the achievement gap between low-income and high-income students has significantly grown “by about 40 percent since the 1960s” (Strauss). Without accounting for poverty levels of students, Pennsylvania cannot adequately address the ever-increasing achievement gap.

Finally, the English Proficiency of students should be taken into account in Pennsylvania’s funding formula as districts with many students in the English as a Second Language (ESL) program need more money in order to allow students to achieve in English-speaking classrooms. In areas with a high concentration of immigrants, the school districts often must face higher costs to educate students, as there is a greater demand for ESL services. While all students deserve the right to a quality education, some students will not be able to succeed due to lack of resources required to meet their educational needs. If not adequately addressed, the achievement gap will only continue to widen, as “by the first grade, for example, there is a full one-year reading gap between English language learners and native English speakers—a gap that increases to a two-year gap by the fifth-grade” (Ahmed). In order to prevent the pervasive disadvantages of non-native English speakers, districts need additional funds to provide programs, resources, and services to students.

Although Pennsylvania does not currently account for any of the aforementioned factors, many other states have revealed the success of funding formulas. Twenty-nine states, including Delaware, Maryland, New York, and West Virginia, include factors to account for property values of districts in their formula. Twenty-seven states utilize a size factor to account for the disadvantages posed to small school districts. Overall, 46 states, use at least one factor to account

for the difference among districts in their formulas. For instance, Virginia “considers five different school district factors in its formula, directing resources based on local poverty, cost of living, local tax effort, local retail sales, and district size”(). While Pennsylvania’s public schools educate thousands of children, the legislators of the Commonwealth should be empowered to effectively allocate resources in order to reduce the achievement gaps among districts by providing a high quality education to all students. Without reforming the funding formula to account for district factors, cost differences are ignored, and “when cost differences are ignored or not accurately accounted for, state officials have little information about whether they are spending enough money or whether the right amount is getting to each school district”(Strauss).

In order to make further progress on generating a successful education equity formula, we are proposing that a congressional sub-committee be created by combining members of the current committees of Education within the House and Senate. We nominate the chair of the Senate Education Committee Senator Mike Folmer, the minority chair of the Senate Education Committee Senator Dinniman, the chair of the House of Representative’s Education Committee, Representative Paul Clymer, and the Democratic Chair of the House of Representatives Education Committee, Representative James R. Jr. Roebuck. In addition to determining the exact mathematical formula, this committee will be designated to run a simulation of the formula to reveal how the proposal will affect individual and state funding budget, under the assumption that property taxes for each district remain at current levels.

It is evident that formula factors, such as base cost, district size, property values, poverty levels, and English proficiency, are vital to the reformulation of Pennsylvania’s education funding allocation. This is supported by Act 61, which was passed by the Pennsylvania General Assembly in 2008 under Governor Ed Rendell and received great public support. This Act

includes all of these various elements within the funding formula that was implemented with its passage. For the full text of Act 61, refer to the appendix of this paper. Although the act was repealed under the Corbett administration in 2011, we find that the creation of a statewide formula, which accounts for the differences among districts, is an imperative issue for all political parties to consider. Therefore, to ensure a quality education for all children in Pennsylvania and to begin closing the wide achievement gap among PA youth, we propose the formation of a committee to provide a collaborative avenue for Democratic and Republican representatives to work together to solve PA's education funding problems.

## **V. Effective Implementation**

While the PA Legislature's approval of School Code Bill (House Bill 1141, PN 2200) has been a step in the direction toward increasing educational equity, we maintain that simply distributing supplemental funds is not enough to provide children in poorer districts with a chance to receive a quality education; Pennsylvania still needs to reform to the overall funding formula. The new School Code Bill allows districts to be eligible for additional supplemental funds. The districts may be eligible for supplemental funds based on one of twelve new categories:

- English language learner high incidence supplement
- Charter and cyber charter school extraordinary enrollment supplement
- An increasing aid ratio supplement
- A small school district supplement
- A small rural school supplement
- A rural school district supplement
- A second class school district supplement
- A personal income supplement
- A second class A county school district supplement
- A third class county school district supplement

- A third class county small school supplement
- A growth supplement

From the School Code Bill

Under the new school code, there is no indication of the amount of supplemental funds that will be given from year to year or how those supplemental funds will be safeguarded in the case of economic downturn. Therefore, it is vital to address the ever-present and systemic problem, the funding formula, in order to adequately and sustainably address educational disparities. While the supplemental funding provision can ease the transition in adopting the new funding formula, implementing a formula with equity considerations, such as size, poverty levels and additional student needs, is still necessary to increase the quality of education for many American children.

Although some policymakers may fear that districts will spend the allocated funds improperly, this policy will ensure that money will be spent in the most efficient way. In particular, the funds allocated, which exceed the school district's overhead costs, will be effectively used for additional extra curricular programs in order to address risks to Pennsylvania youth. With our funding formula laid out, we will now delve deeper into what can be done to curb destructive youth behavior and how the winds of upward mobility can once again swing in the disenfranchised student's favor.

According to the American Psychological Association, most "risky teen behavior" occurs in the early afternoon hours, right after classes let out for the day. In a 2001 survey by the American Journal of Public Health (AJPH), these risky behaviors most occurred between the hours of 3:00pm and 6:00pm (DeAngelis). 36% of Hispanic and 38% of African American students in senior high schools reported carrying or using a weapon or had been involved in a "weapon related incident" in the past year, while only 22% of Caucasian students reported the

same (Carpenter). These statistics draw strikingly similar data to that collected by the US Department of Education this year, according to a New Orleans Times-Picayune article in March. This was the first time the Department drew data from all 97,000 of the nation's public schools, representing nearly 50 million students, since 2000. Their study found that 42% of Black students reported being suspended once in their academic careers, while 48% of those students reported being suspended more than one time. In contrast, the report also found that students of color only represent 18% of preschool enrollment nationally (Alpert). The Henry J. Kaiser Family Foundation's account of population statistics states that the poverty rate in Pennsylvania is 13% for Caucasian, 36% for African Americans, and 40% of Hispanics, which is evidence of the correlation between race and poverty (Poverty).

Family circumstances and socioeconomics play a strong role in the behavior children engage in outside the classroom, and these behaviors directly affect students' ability to learn. According to the AJPB report, 26% of seventh and eighth graders whose annual family income was less than \$20,000/year reported having sexual intercourse. Only 8% of those students whose families made more than \$41,000/year reported similarly. 33% of the same demographic who only lived with one parent at home confessed to having smoked a cigarette in the past year while only 16% living with both parents said they had smoked (Carpenter). These numbers present a frightening trend that has not significantly improved over the past decade and a half. Risky teen behavior is not something that will ever be completely eliminated, however a spike in funding and, more importantly, careful stewardship of this new money from our reformed equation can put a significant dent in after school violence and suspension. The funding and emphasis on effective stewardship will refocus the intent of our public school system: to provide an equitable education to prepare our state and our nation's youth for a productive life as adults, post-

graduation. Many of our nation's school age children come to school with little willingness to learn or engage with their classmates (McCloskey). They arrive with that hardworking mindset, but unfortunate circumstances detract from their educational growth. The year for importance and inclusion is a vital stage of human development, therefore programs targeted at addressing these needs will be most successful in turning the tides of education culture.

These students have the ability to learn, grow, and succeed in the classroom. It is just a matter of small adjustments to access and equality, mindset and behavior. We look to our government at the federal, state, and local levels to help provide adequate, ever-adapting support to *every* student in our national school system.

The United States Department of Education's mission statement reads: "To promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access" (US DE). Similarly, the Pennsylvania Department of Education's statement of purpose states: "To academically prepare children and adults to succeed as productive citizens ... to ensure that the technical support, resources, and opportunities are in place for all students ... to achieve a high quality education" (PA DE). A common sentiment in these two statements, assuredly echoed across the United States, is the idea that our school systems are designed to set students on the right course by providing them with the necessary resources to succeed in the classroom and in society, and to prepare all students for outstanding post-graduation achievement.

Although some may argue that this "competitiveness" and "success" can only be found through strong in-class curriculum, many external factors also affect a student's ability to succeed. It is evident, however, that when economic disparity, family circumstance or demographics, and controllable "risky behavior" become a hindrance to a child's ability to learn,

it is then the responsibility of our public educators and the politicians that support them to combat the extra-curricular dilemma that faces the United States today.

How do we combat this disparity? Our funding equation, consisting of a ‘base-cost’ method, factoring in size of the district, property values, poverty, and English proficiency, is a necessary step. According to *Assessing Adequacy in Education Spending*, Pennsylvania spent \$12,729 in 2009-10 to educate each pupil, on average. However, these numbers are skewed towards the extremes of the socioeconomic scale (Steinberg & Quinn). Our districts must have committees to determine where the most pertinent issues within their public schools lie. For one district, that may mean more funding for infrastructure. Another may find that their students are prone to out-of-class violence, so funds may be funneled towards after-school/community involvement programs while still another may need a more focused curriculum and thus the hiring of more experienced teaching professionals may be critical. Whatever the case may be, efficiency must be stressed. Therefore, while the state allocation allows for the district to use the funds at their discretion, the state encourages districts to create a committee of school district employees and stakeholders to determine the allocation of funds, which exceed the previous year overhead budget of the district. In particular, struggling districts should consider using funds to address two of the most pressing needs of public schools: curriculum and extracurricular activities, and should consider the suggested programs described below.

#### *Curriculum:*

The US Department of Education’s 2014 report highlighted curriculum disparities across the country. 81% of Asian American and 71% of Caucasian high school students were afforded a “full range of math and science courses,” while only 57% and 67% of their Black and Latino peers received the same breath of course availability, respectively (Alpert).

The US Department of Education has set forth guidelines for each state to follow, as found in the Pennsylvania Consolidated State Application Accountability Workbook. Each state submits a plan to the federal government, where it is approved and updated on a basis of need. Even with these guidelines, why are so many of our students not receiving a proper education? While funding disparities can create large achievement gaps, it is also necessary to address the use of funds. A refocus of an “oversight committee” within the Pennsylvania Department of Education is necessary to ensure each district is teaching subject material adequately. Statewide testing platforms, including the PSSAs and Keystone are a baseline for how certain schools are achieving in a particular field, but funding cannot be tied to these standards unless it is meant to assist, not punish. The key is to hire educators well versed in their field of study. Pay raises and rewards may be applicable, but may also skew data if teachers attempt to “game the system” for more compensation. A baseline pay raise and more attractive amenities for teachers could help combat this problem. When individuals feel more valuable, it tends to be reflected in the quality of their work.

*Extra Curricular:*

The AJPH article mentions that, “experiences that cut across demographics were strongly linked to whether or not teenagers engage in unhealthy behavior,” These unhealthy behaviors, including cigarette smoking, drug and alcohol consumption, weapon-related violence, etc., are linked to, “problems with school work” (Carpenter). Many times, when students claim to be “just hanging out with friends,” unhealthy behaviors see an increase. When a student sees a friend or a peer engage in unhealthy activities, their chances of also partaking increase significantly. In fact, between 24% and 49% of these behaviors were influenced by observing peers and family

(Carpenter). We can conclude that some of the most dangerous activities are not only a direct result of socioeconomics, but also a lack of role models.

The same study does suggest, however, that many of the factors their research deemed as dangerous are “amenable to change” (Carpenter). Robert W. Blum, MD PhD, a professor of pediatrics at the University of Minnesota and the study’s lead investigator, notes that kids at all ages of their development need structure to grow. Most of the time, during the after school hours, students are “left to their own devices,” putting them in dangerous and destructive situations that diminish their ability to learn. Blum urges schools to invest more time and money in “structured, supervised after-school and evening activities” as well as mentorship programs with an educational focus (Carpenter).

What do these structured activities look like? How can they benefit all types of student learners? According to a policy study from Columbia University’s Jodie Roth, PhD and Jeanne Brooks-Dunn, PhD, there are a number of factors that are necessary for an after school program to succeed. They include:

- Helping young people develop strong, positive relationships with adults
- Building on the young person’s strengths as opposed to their weaknesses
- Providing an environment that helps young people develop positive relationships with peers
- Giving youth challenges to which they can rise
- Providing enriching, creative activities
- Giving youth opportunities to develop leadership and decision making skills
- Focusing on the developmental needs of young people by nurturing teen’s need for autonomy, while, at the same time, providing guidance

- Providing all of these opportunities *over the long term*

(DeAngelis)

The same report from Columbia determined that programs focused on a more holistic approach to student guidance as opposed to focused, targeted programs, like drug/violence prevention, worked better (DeAngelis). This suggests that students take away more when they are given the guidance they need across many fronts, rather than told what they should or should not do.

Pennsylvania should adopt this method: stronger funding for holistic youth programs can make a positive impact on many facets of a young, developing student's life.

A similar study from by Milbrey McLaughlin, PhD from Stanford University, suggests that many students, despite a mountain of odds stacked against them, were succeeding in and out of school. They stayed away from drugs, alcohol, and violence. McLaughlin determined that many of these children were self-selecting programs, involving sports, community centers, or the arts (DeAngelis). A common critique suggests that students do not want to join these types of programs, as they would rather participate in school activities as little as possible, however this is far from reality. Students yearn for inclusion and acceptance. McLaughlin agrees, “[students] do want to join these types of programs - there just aren't enough of them” (DeAngelis).

While every district deals with the challenge of educating students with varying needs, districts should focus on providing additional help to students from economically disadvantaged households. Evidence supports the assertion that different students have different needs, according to another study by Deborah Lowe Vandell, PhD. The University of Wisconsin educational psychology professor says that, “for families with fewer resources and less flexible schedules, children may have less access to a range of growth-enhancing activities.” She believes that this is where these types of programs can fill a void in childhood development. She suggests

that lower income students, who have traditionally not done as well in school as some of their more financially-stable peers, may see these programs as stepping stones to greater academic success (DeAngelis). It can be concluded that these types of programs, with better grades and class attendance as an immediate byproduct, will lead to healthier and happier students who will be better positioned to succeed once they are finished with their secondary education.

While the key to closing the achievement gap starts with reforming the state funding formula, school districts must work to train educational professionals to implement programs to assist at-risk students. Counselor-based teacher training programs could help to curb behavior students engage in that may be destructive to their growth and development. Section 12 of Act 61 of the Pennsylvania Article XIII-A *Safe Schools* reads:

Provision of specialized staff and student training programs, included training for Student Assistance Program team members in elementary, middle and high schools in the referral of students at risk of violent behavior to appropriate community-based services, including mental health services.

(Pennsylvania General Assembly)

This program can be expanded upon to encompass all aspects of development. It does not have to stop at violence. Students who feel disenfranchised can benefit from adults in the community who can properly convey stories of success to primary and secondary kids. Henry McCloskey, a secondary teacher in the Great Valley School District in Malvern, Pennsylvania suggests that teachers have the power to positively influence students, even by simply telling students that they can accomplish their dreams. Community mentorship programs and teachers who are better educated to deal with the stresses their students go through will increase students' self-esteem

and motivation to learn. Tax-breaks and other incentives for community leaders will allow adults in the community to educate the children, sharing their wisdom about achieving success and providing students with real-world experiences.

Pennsylvania public school students deserve more than they are currently receiving from their education system. Therefore, it is imperative that Pennsylvania adopt a reformed state funding formula to account for the base cost, district size, property values, poverty levels, and English language proficiency. With this new funding allocation, districts will have the ability to pay for the operations of the school and fund projects to address the specific problems of their district, consequentially improving students' ability to learn and achieve. Responsible stewardship and a careful eye on progress is a necessity, but if implemented correctly, our students can reverse trends of violence and destructive behavior and can instead focus on personal growth and development. This will not only benefit Pennsylvania children and young adults, but will benefit our state's communities as well. Gone will be the days of a small shop owner in Philadelphia being frightened by kids leaving school at 3:00pm. Instead, he will have spoken with children through mentoring programs and will embrace their presence. He will have taught them his keys to success and they will go on to achieve post-graduation greatness. Pennsylvania state public school students, especially disenfranchised youth, are just a few steps away from realizing their full potential.

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## **VI. Appendix**

Abstract from Act 61:

“In addition to the powers and duties set forth under subsection (a), the office is authorized to make targeted grants to schools to fund programs which address school violence, including, but not limited to, the following programs:

- (1) Conflict resolution or dispute management.
- (2) Peer helpers programs.
- (3) Risk assessment, safety-related or violence prevention curricula.
- (4) Classroom management.
- (5) Student codes of conduct.
- (6) Training to undertake a district-wide assessment of risk factors that increase the likelihood of problem behaviors among students.
- (7) Development and implementation of research-based violence prevention programs that address risk factors to reduce incidents of problem behaviors among students including, but not limited to, bullying.
- (8) Comprehensive, district-wide school safety and violence prevention plans.
- (9) Security planning, purchase of security-related technology which may include metal detectors, protective lighting, surveillance equipment, special emergency communications equipment, electronic locksets, deadbolts and theft control devices and training in the use of security-related technology. Security planning and purchase of security-related technology shall be based on safety needs identified by the school entity's board of directors.
- (10) Institution of student, staff and visitor identification systems.

(11) Establishment or enhancement of school security personnel, including school resource officers.

(12) Provision of specialized staff and student training programs, including training for Student Assistance Program team members in elementary, middle and high schools in the referral of students at risk of violent behavior to appropriate community-based services, including mental health services.

(13) Alternative education programs provided for in Article XIX-C.

(14) Counseling services for students enrolled in alternative education programs.”

Act 61: the idea of Education Empowerment Districts→ we could potentially use this idea in addition to the funding formula

Education Empowerment Districts.--\* \* \*

(h) (1) A school district under a declaration of distress pursuant to section 691(a) and certified as an education empowerment district shall be operated by a special board of control established under section 692. A board of control established under this section shall be abolished upon the appointment of a special board of control under section 692.

(2) For a school district under a declaration of distress pursuant to section 691(a) and certified as an education empowerment district, the special board of control established under section 692 shall have the powers and duties of a special board of control under section 692 and the powers and duties contained in section 1706-B.

(3) For a school district with a history of low test performance that is certified as distressed for a minimum period of two (2) years under sections 691 and 692, the department shall waive the inclusion of the school district on the education empowerment list under section 1703-B(a) and immediately certify the school district as an education empowerment district.

(4) The department may utilize up to \$4,500,000 of undistributed funds not expended, encumbered or committed from appropriations for grants and subsidies made to the department to assist school districts certified as an education empowerment district under paragraph (3).

There is hereby established a restricted account from which payments under this paragraph shall be paid. Funds shall be transferred by the Secretary of the Budget to the restricted account to the extent necessary to make payments under this paragraph. Funds in the restricted account are hereby appropriated to carry out the purposes of this paragraph. The subsidy payment from this account shall be utilized to supplement the operational budget of the eligible school districts.

This paragraph shall apply to fiscal years 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007 [and], 2007-2008 and 2008-2009 and shall expire June 30, [2008] 2009.

Basic Education Funding for Student Achievement.--(a) The Department of Education shall calculate a base cost per student. For the 2007-2008 school year, the base cost per student shall be eight thousand three dollars (\$8,003), increased by the 2008-2009 index.

(b) The Department of Education shall determine an adequacy target for each school district by calculating the sum of the following:

(1) A base cost determined by calculating the product of the base cost per student and the school district's modified ADM.

(2) A poverty supplement determined by calculating the product of:

(i) the base cost per student;

(ii) the number of students enrolled in the school district on October 31 of the funding year who were eligible for free or reduced price meals under the school lunch program; and

(iii) forty-three one-hundredths (.43).

(3) A district size supplement determined by calculating the maximum of zero and the product of:

(i) the base cost per student;

(ii) the school district's funding year average daily membership; and

(iii) the sum of four hundred eighty-three one-thousandths (.483) and the product of the natural logarithm of the school district's funding year average daily membership and negative five one-hundredths (-.05);

(4) An English language learner supplement determined by calculating the product of:

(i) the base cost per student;

(ii) the number of enrolled students identified as limited English proficient in the funding year in the school district; and

(iii) the sum of three and seven hundred fifty-three one-thousandths (3.753) and the product of the natural logarithm of the school district's funding year average daily membership and negative twenty-three one-hundredths (-.23), provided that such amount shall be no less than one and forty-eight one-hundredths (1.48) and no greater than two and forty-three one-hundredths (2.43).

(5) An adjustment for geographic price differences calculated as follows:

(i) Add the amounts under paragraphs (1), (2), (3) and (4).

(ii) Multiply:

(A) the sum under subparagraph (i); by

(B) the school district's location cost metric.

(iii) Subtract:

(A) the sum under subparagraph (i); from

(B) the product under subparagraph (ii).

(c) (1) The Department of Education shall determine a State funding target for each school district by calculating the product of:

(i) the difference between the school district's adequacy target determined under subsection (b) and its actual spending for the funding year, or zero, whichever is greater;

(ii) the school district's market value/income aid ratio for the school year in which funding occurs; and

(iii) the lesser of one (1) and the school district's funding year equalized millage divided by the equalized millage that represents the seventy-fifth percentile of the equalized millage of all school districts in the funding year.

(2) In furtherance of the General Assembly's long-standing commitment to providing adequate funding that will ensure equitable State and local investments in public education and in order to enable students to attain applicable Federal and State academic standards, it is the goal of this Commonwealth to review and meet State funding targets by fiscal year 2013-2014.

(d) The Commonwealth shall pay to each school district a basic education funding allocation for the 2007-2008 school year which shall consist of the following:

(1) An amount equal to the basic education funding allocation for the 2006-2007 school year under sections 2502.13(m), 2502.47 and 2504.4(a.3).

(2) If a school district has been declared a Commonwealth partnership school district under Article XVII-B, an amount equal to four million dollars (\$4,000,000).

(3) (i) For a school district with 2006-2007 equalized millage that is greater than or equal to 24.7, which represents the eightieth percentile of the equalized millage of all school districts as of the effective date of this section, for the 2007-2008 school year, sixteen and seventy-five one hundredths percent (16.75%) of the State funding target determined under subsection (c).

(ii) For a school district with 2006-2007 equalized millage that is less than 24.7, which represents the eightieth percentile of the equalized millage of all school districts as of the effective date of this section, for the 2007-2008 school year, ten percent (10%) of the State funding target determined under subsection (c).

(e) The Department of Education shall provide additional funding for the 2007-2008 school year to any school district where the amount determined under subsection (d)(3) provides an amount less than three percent (3%) of the amount determined under subsection (d)(1). The amount of additional funding shall be the amount required so that the sum of subsection (d)(3) and this subsection equals three percent (3%) of the amount provided under subsection (d)(1).

Section 2502.49. Accountability to Commonwealth Taxpayers.--(a) In any school district where the amount of basic education funding allocated pursuant to section 2502.48 exceeds the amount of basic education funding allocated to the school district in the prior fiscal year by more than the index, the board of school directors shall use one hundred percent (100%) of the portion of the increase that exceeds the index as follows:

(1) At least eighty percent (80%) of such funds shall be used to offer any of the following for the first time or to expand any of the following:

(i) Programs that increase the amount of student instructional time, which may include tutoring, an extension of the school day or school calendar or intensive support for students who have limited English proficiency.

(ii) Implementation of new curricula or course offerings that increase the number of students who graduate from high school prepared for college and high-skill careers.

(iii) Training of professional employees in the delivery of a curriculum that increases the number of students who graduate from high school prepared for college and high-skill careers, in

strategies for addressing the learning needs of students at risk of academic failure or needing remediation or in strategies to ensure that students stay in school until graduation and successfully transition to postsecondary education or the work force.

(iv) Reduction of class size.

(v) Prekindergarten or full-day kindergarten.

(vi) Incentives for the most effective highly qualified teachers and principals to work in a school identified for improvement or corrective action.

(vii) School library services, which may include the employment of school librarians or additional school library staff or the purchase of printed or electronic materials or other resources for the school library collection.

(2) No more than ten percent (10%) of such funds may be used to maintain existing programs that meet the criteria of paragraph (1) or for one-time costs necessary to the delivery of instruction that shall include books, materials or other supplies.

(3) No more than ten percent (10%) of such funds may be used for other programs or activities that are essential to achieving or maintaining academic performance targets and that are based on sound research or for one-time costs necessary to the delivery of instruction that shall include books, materials or other supplies.

(b) The following shall apply:

(1) A school district subject to this section shall submit a plan to the Department of Education no later than August 1, 2008, and no later than April 15 of each year thereafter, detailing its intended use of funds subject to this section in the subsequent fiscal year. If a general appropriation bill that includes basic education funding for the applicable fiscal year has not been enacted prior to the deadline, a school district shall base its plan on the amount of basic

education funding proposed in an executive budget and posted on the department's Internet website.

(2) The department shall review all plans and may provide recommendations to school districts within forty-five (45) days of receipt of the plan.

(3) Within ninety (90) days of receipt of a plan submitted by a school district identified for warning, improvement or corrective action or a school district with one or more schools identified for improvement or corrective action, the department shall approve or disapprove the plan. The department shall provide a written explanation to the board of school directors of any school district whose plan is disapproved.

(4) A school district whose plan has been disapproved shall amend and resubmit its plan as necessary until approved by the department.

(c) The department shall approve any school district achievement plan that:

(1) meets the requirements of this section;

(2) addresses the academic challenges identified in the school district's most recent student achievement results, with specific focus on individual schools, grade levels and populations of students that demonstrate inadequate levels of student achievement; and

(3) in the determination of the department, describes programs and strategies that are most likely to improve student achievement in the school district.

(d) For any school district where approval of a plan is required pursuant to subsection (b), and notwithstanding any other provision of law to the contrary, the department shall withhold the portion of the increase in basic education funding which exceeds the index until such a time as a plan is approved.

(e) The Department of Education shall:

(1) Provide technical assistance to any school district upon request for the development of a plan pursuant to this section.

(2) Determine the form and manner in which school districts shall submit a plan pursuant to this section.

(3) Review all plans submitted to the department and approve or disapprove plans as required pursuant to this section.

(f) Nothing in this section shall supersede or preempt any provisions of a collective bargaining agreement between a school entity and an employee organization in effect on the effective date of this section.