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**EDTHP 518 Policy Analysis Paper**

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Introduction

John Krill stood in a Harrisburg courtroom and posed a question to Matthew Splain: *“What use would someone on the McDonald’s career track have for Algebra 1?”* The lawyer for the Pennsylvania Senate President Pro Tempore’s line of question to the superintendent of Otto-Eldred School District was in opposition of increasing school funding in the midst of a landmark school funding lawsuit challenging the way Pennsylvania allocated school funds. Krill argued that “…[Pennsylvania] has many needs”, so why should Pennsylvania fund schools in a way that would divert would-be retail employees making minimum wage towards a possibly more lucrative engineering job?

Ultimately, however, John Krill and other lawyers for Pennsylvania Republicans would be unsuccessful, and Commonwealth Court Judge Renee Cohn Jubilerer would rule that Pennsylvania’s method of allocating school funds is not in line with the commonwealth’s own constitutional mandate to provide a “…thorough and efficient system of public schooling…”. The ruling would require the commonwealth to increase school funding and remedy disparities that have been perpetuated in the past.

Pennsylvania’s governor, Josh Shapiro, proposed a budget in February of 2024 that purports to be “historic”. A statement released by Shapiro’s office claims that his budget includes a $1,100,000,000 increase in the Basic Education Funding allocation, $900,000,000 of which goes towards a “first-year adequacy investment”; the remaining is allocated via a formula previously passed by the Pennsylvania General Assembly.

How are schools funded in Pennsylvania?

A significant portion of Pennsylvania’s allocation to its public schools comes from the Basic Education Funding (BEF) formula outlined in Act 35 of 2016.

School funding as a problem

School funding is not an issue confined to Pennsylvania, but rather something that has permeated in the U.S. education system for decades. Despite research showing benefits to increased school funding, states like Pennsylvania tend to give schools too few resources to accomplish too many goals, forcing schools to rely on local revenue that is typically raised primarily through property taxes. Pennsylvania, for example, recently had its school funding system found unconstitutional by a state court, leading to proposals to change how schools are funded in the commonwealth.

Why does funding matter?

Whether school funding matters for students has been a question percolating within education for several decades. Modern discussion of school finance can be traced back to the *Equality of Educational Opportunity* report, colloquially known as the *Coleman Report* (Hutt, 2017; Kantor & Lowe, 2017; Downey & Condron, 2016). The *Coleman Report* was commissioned by the U.S. Congress and stated that schools have a smaller influence on student outcomes and achievement gaps along racial and class lines as out-of-school environments (Downey & Condron, 2016).

Since then, a wealth of research has come out that has, over time, found that schools do play a role in students’ life outcomes and that increasing school funding can improve those outcomes. Specifically, better school funding can improve student performance (Lafortune et al., 2018), postsecondary degree attainment (Hyman, 2017), lower the chance a student ends up in poverty (Jackson et al., 2015), and increase their future income post-graduation (Jackson et al., 2015). Additionally, increasing student exposure to high quality teachers can improve their post-graduation outcomes (Chetty et al., 2014), which can be achieved in part through increasing teacher salary by increasing school funding.

Getting court mandates to reform school funding

Pennsylvania’s and its “McDonald’s Career Track” students

Josh Shapiro’s Proposed Budget

Josh Shapiro’s budget comes on the heels of

What does this proposal mean for Pennsylvania schools?

Budgets are a way to judge an entity’s values, as what is funded—or not funded—can be indicative of how much that entity truly cares about a particular issue. Josh Shapiro’s budget is judged against these factors based on valuing remedying past inequality along different lines:

1. Whether it remedies or perpetuates rural and urban resource divides,
2. Whether it remedies racial disparities perpetuated by past school funding plans,
3. Whether it remedies income disparities and reduces reliance on property taxes.

Evaluating the proposal’s effect on rural, suburban, town, and urban districts

Evaluating whether the proposal furthers racial disparities or offers remedies

Concluding Recommendations