

## THE LANDSCAPE

In February 2023, the Commonwealth Court ruled PA's school funding system unconstitutional, ordering lawmakers to develop a plan to ensure all students receive a thorough and efficient education. This budget proposal is another step toward closing the gaps in underfunded districts and ensuring all students receive the resources they need, in compliance with the constitution.

## ADEQUACY TARGETS

Act 55 of 2024 established an adequacy target for each school district, identifying the total funding needed to ensure students have the resources to succeed. The law found a **\$4.5 billion adequacy gap**, impacting **70% of districts (348 of 500)**. The **2024-25 state budget allocated \$494 million** in adequacy supplements—**just 11% of the total gap**—with no timeline for addressing the remaining **\$4.0 billion shortfall**.

### ➤ 2025/26 ADEQUACY SUPPLEMENT PROPOSAL

Proposed increase = \$494 million.

- This is equal to the amount invested in FY 2024/2025.
- This represents an additional 11% investment.
- If identical installments are made annually, it will take 9 total years to fill the \$4.0 million adequacy gap.

## TAX EQUITY SUPPLEMENT

Act 55 of 2024 calculated a tax equity gap for the 50 school districts with the highest tax burdens in the commonwealth and determined \$258 million is the amount needed to offset the local revenue generated by these districts from taxing above the 90th percentile rate. The 2024-2025 state budget provided \$32 million in tax equity supplements to districts, or about 11% of the total.

### ➤ 2025/26 TAX EQUITY SUPPLEMENT PROPOSAL

Proposed increase: \$32 million.

## ADDITIONAL 2025/26 EDUCATION BUDGET PROPOSALS

### ➤ BASIC EDUCATION FUNDING

Proposed increase - \$75 million (+0.9%).

- Increase for all 500 school districts.
- Will not allow many districts to keep pace with inflation.

### ➤ SPECIAL EDUCATION FUNDING

Proposed increase - \$40 million (+2.7%).

### ➤ PHYSICAL SECURITY AND MENTAL HEALTH

Proposed flat funding of \$100 million to be awarded through a grant program.

## ADDITIONAL PROPOSALS CONT.

### CAREER AND TECHNICAL EDUCATION

Proposed increase – \$5.48 million (+3.8%).

### CYBER CHARTER FUNDING REFORM

- Proposed discontinuation of the cyber charter transition line item, which was funded at \$100 million in FY 2024/2025.
- Recommendation to replace this line item with a new cyber reform proposal that would establish a statewide base cyber charter tuition rate of \$8,000 per student per year.
- School districts would realize a net savings of \$278 million annually if the \$8000 per student regular education tuition rate is adopted.

### DUAL ENROLLMENT

Proposed flat funding of \$7 million.

### SCHOOL FOOD SERVICES

Proposed increase of \$10.785 million (+10.9%) to support the maintenance of the universal free breakfast program.

### SCHOOL FACILITIES

Proposed \$25 million increase for the Public School Facility Grant Program for a total of \$125 million.

- These competitive grants are administered by the Commonwealth Financing Authority (CFA).
- Funding supports a broad range of projects such as roof or window repairs, HVAC needs, and plumbing systems.

### FEMININE HYGIENE PRODUCTS

Proposed flat funding of \$3 million.

- This will provide feminine hygiene products at no cost to students in schools.
- Nationally, 1 in 4 teens have missed class due to a lack of access to menstrual hygiene supplies.

### EARLY CHILDHOOD

Proposed increase – \$15 million for initiative to increase the reimbursement rates in the Pre-K Counts program.

Level funding for Head Start Supplemental Assistance.

Proposed increase \$14.3 million (3.4%) for Early Intervention; the governor proposes to increase provider rates.

### STUDENT TEACHER STIPEND PROGRAM

Proposed funding – \$40 million.

- Proposed increase – \$20 million (+100%).
- \$50–\$55 million is needed to guarantee all student teachers will receive a stipend.

### TEACHER PROFESSIONAL DEVELOPMENT

Proposed funding – \$7.544 million (+49.6%).

## K-12 PROPOSAL MUST BE ADOPTED AS A PACKAGE

1. Basic and special education increases are not enough to allow many districts to keep up with inflation.
2. Cyber charter reforms cut wasteful spending and create efficiencies to lower the overall cost to taxpayers
3. The \$8000 per student regular education tuition rate will return \$278 million to put more money in classrooms and keep cyber charter costs controlled moving forward.
4. If cyber reform is not adopted, many districts will need to increase property taxes just to keep pace with inflation and to pay increased cyber charter costs

## FINDING INFORMATION FOR YOUR DISTRICT



Visit <https://www.houseappropriations.com/>

Scroll to the bottom of page and click 2025/26 Executive Budget Education Increases and Savings.

## LOOKING AHEAD

This budget proposal once again demonstrates Governor Shapiro's strong commitment to supporting public education. The proposed new investments and efficiencies, if adopted as a package, will be a win for rural, urban, and suburban students and communities across the commonwealth. It is important to note, however, that the rate of providing annual equal investments of 11 % to close the funding gap for the most underfunded schools is too slow. Without an acceleration of funding to fill the adequacy gaps, students who were in kindergarten when the state funding system was declared unconstitutional will be in high school before districts are fully funded in compliance with the constitution. This is unacceptable.

We most strongly urge the General Assembly to adopt Governor Shapiro's proposal for education funding as a package and look forward to working across the commonwealth to build support for this investment in Pennsylvania's public school students and in the commonwealth's future.