

Spring 2021

Hourglass Quarterly



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HOLD HARMLESS DOING HARM

Changes Needed for Education Funding

State funding for public education in Pennsylvania has been a topic of much debate for decades. Critics of the State's education funding structure primarily voice two grievances: the relatively low portion of state funds that go to educating the state's children and the unequal and inequitable distribution of the small amount of those funds.

Low Overall Funding

According to research conducted by *Education Trust*, of all states, Pennsylvania ranks 47th in the portion of total funds spent per pupil that come from the State. 39% of total education funding comes from the state. When compared to our geographic neighbors we still fall below the region: 42% of total public education spending come from the state in New Jersey, 44% in New York, 46% in Ohio, 47% in Maryland, and 65% in West Virginia. This overall low state funding for education in Pennsylvania means that the burden of paying to educate our children falls disproportionately on the local taxpayers.

Funding Distribution Inequities

The second criticism of the current Pennsylvania state education funding distribution system targets HOW the money is distributed. In the last 29

years, state funding for education has been heavily influenced by the "hold harmless" funding provision. Implemented in 1992, "hold harmless" is the policy that school districts cannot receive less funding than they did the year prior. For the next quarter century, the state gave each district small annual increases with little regard for changing enrollment levels. This policy has helped to create one of the most inequitable public education funding systems in the country. According to the *Education Trust* research mentioned before, PA ranks 44th in the nation in the equitable distribution of funds between the highest and lowest poverty districts in the state (adjusted for the additional needs of low-income students).

Fair Funding Formula:

Seeing this need to distribute funds more equitably, in 2016 the State General Assembly implemented a Fair Funding Formula. Instead of providing state education funds based on the total number of students, the Fair Funding Formula also takes into account poverty, the number of English language learners, and geographic size of the school district. Subsequently, by taking into account these factors, schools with large portions of minority students would receive additional

funding under the new formula. When this formula was enacted, the General Assembly required that only new funding dollars should be put into the new formula. That would allow the state to be in compliance with the “hold harmless” provisions. Following this policy has meant that in 2020 only 11% of state education dollars go through the Fair Funding Formula. The rest is distributed through the old inequitable formula.

Local Impact:

In Lancaster County, the negative effects of the “hold harmless” provision are acutely felt. If the “hold harmless” provision was discarded and the Fair Funding Formula was enacted, during

the 2018-2019 school year the County would have seen an additional \$56,511,403 in state education funding. This is a net number, factoring in the amount of money some school districts would lose. The School District of Lancaster alone would receive an additional \$36,594,334. Pennsylvania must work to amend the “hold harmless” provision and find ways to distribute funds through the Fair Funding Formula.

Article summarized from “Hold Harmless”: A Quarter Century of Inequity at the Heart of Pennsylvania’s School System”. Public Citizens for Children and Youth. January 2021.



School District	Difference Between Actual Funding And Formula Funding	Percent Change If All Money Went Through Formula
Lancaster	\$(36,594,334.00)	58%
Conestoga Valley	\$(10,083,598.00)	224%
Manheim Township	\$(6,817,806.00)	117%
Columbia Borough	\$(3,951,883.00)	54%
Lampeter-Strasburg	\$(2,154,475.00)	50%
Eastern Lancaster County	\$(2,106,072.00)	46%
Ephrata Area	\$(1,332,726.00)	13%
Pequea Valley	\$(503,585.00)	18%
Hempfield	\$(177,640.00)	1%
Penn Manor	\$353,458.00	-3%
Donegal	\$494,570.00	-7%
Warwick	\$565,053.00	-6%
Cocalico	\$571,605.00	-8%
Elizabethtown Area	\$991,390.00	-11%
Manheim Central	\$1,034,555.00	-15%
Solanco	\$3,200,082.00	-32%
Source: “The \$1 billion plan to close the gap between growing and shrinking Pa. school districts”. <i>SpotlightPA</i> . Cynthia Fernandez. 2/20/2021		