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Report Summary: Pennsylvania Distributes Emergency K-12 School Funding Backwards— The Fewest Dollars Go to School Districts With the Greatest Need

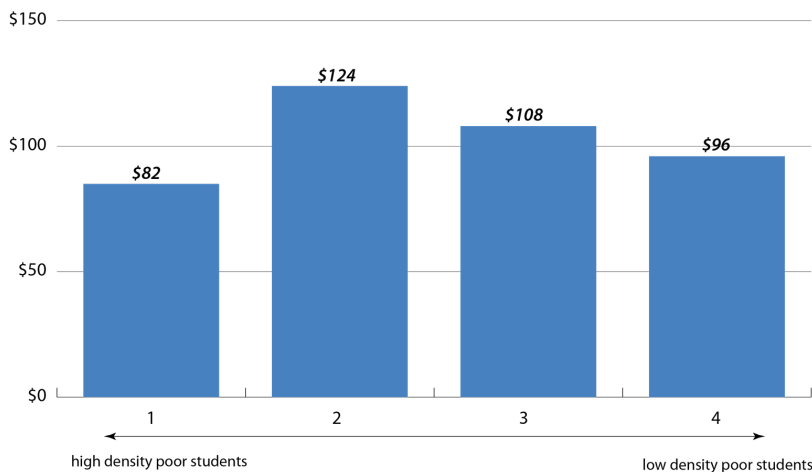
This brief looks at how Pennsylvania distributed \$174 million to Pennsylvania's public school districts in K-12 funding from the CARES Act that the federal government left up to states to allocate. The legislature and the Wolf administration agreed to distribute a fixed amount per district plus distribution of the remaining funds based on districts' numbers of students (average daily membership or ADM), not taking into account the variables (like poverty) that the BEF formula recognizes, based on research, make some students more expensive to educate.

We find that Pennsylvania got the distribution of these funds backwards in the sense that the districts with the greatest need received the least funding per student. We measure need in the same way the legislature does through the BEF formula.

The CARES Act included an Elementary and Secondary School Emergency Relief (ESSER) Fund to help schools during the COVID pandemic. Pennsylvania's share was \$524 million, 90% of which (\$472 million) was required to be distributed among public Local Education Agencies (LEAs). This ESSER funding was to be distributed in proportion to the amount each LEA receives under Title I of the federal Every Student Succeeds Act (ESSA). Title 1 distribution is based on districts' numbers of impoverished students. Charter schools received about 15% of the Title I money distributed to LEAs (about \$70 million), leaving about \$401 million for Pennsylvania's school districts. Since the federal rules dictate distribution of the \$401 million via Title 1, more of this money went to high-poverty districts.

The second round of CARES Act/ESSER funding for schools was not required to be distributed via Title 1. The General Assembly directed \$150 million of this federal CARES Act funding and \$50 million of ESSER funding to the PA Commission on Crime and Delinquency (PCCD) to support relief to schools via the COVID-19 Disaster Emergency School Health and Safety Grants for 2020-21.

Districts With the Most Poor Students Received LESS Per Student Funding Allocated by the State Formula Than Any Other Group of School Districts



Source: Data analysis from Pennsylvania Budget and Policy Center's School Funding Model.

Of this funding, \$174 million, was allocated Pennsylvania's 500 public school districts. Each district received a base amount of \$120,000 for a total of \$60 million. On top of this base amount, school districts received \$67 per student (based on average daily membership or ADM) in their districts.

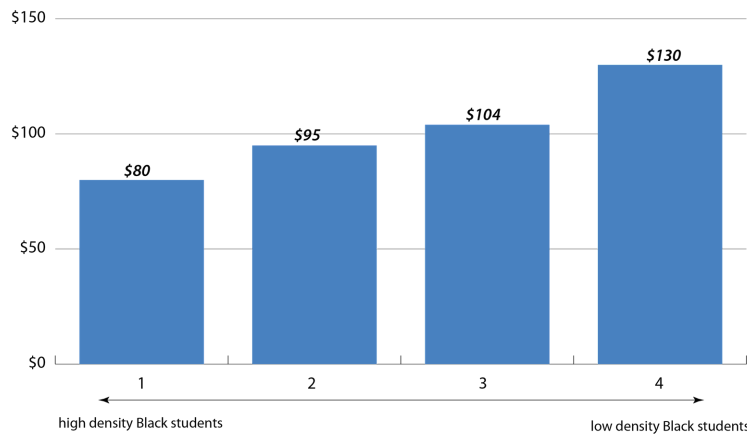
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Our findings in brief:

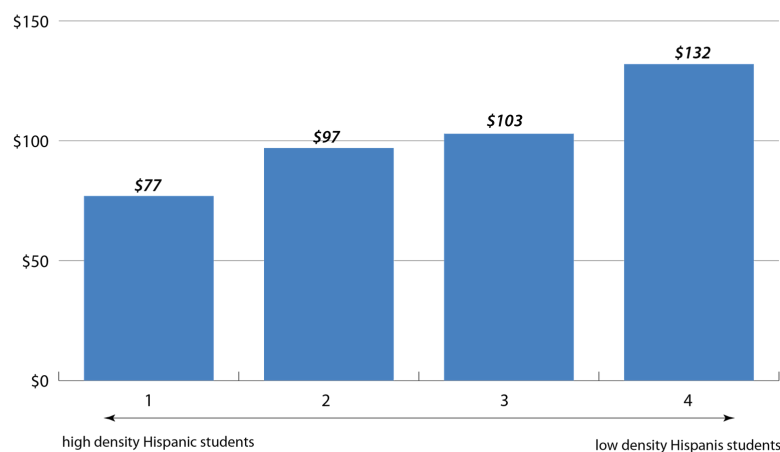
- The poorest quartile of Pennsylvania districts (that together educate one quarter of K-12 students) received \$36 million dollars, less than any of the other three groups of districts that educate fewer poor students. Had the state used the BEF formula to distribute this funding these poor districts would have received two-and-a-half times as much money, \$90 million.
- The districts with the highest share of Black students (again, educating one quarter of state K-12 students in all 500 school districts) received \$34 million dollars, substantially less than the \$55 million dollars received by districts with the lowest concentration of Black students. If the state had used the BEF to distribute the \$174 million, the districts with the highest share of Black students would have received over twice as much—\$76 million.
- The districts with the largest share of Hispanic students received \$33 million dollars compared to the \$82 million they would have received using the BEF formula. Districts with the lowest share of Hispanic students received \$56 million.

Few CARES Act Dollars Allocated by the State Formula Per Student Supported Districts With the Most Black Students



Source: Data analysis from Pennsylvania Budget and Policy Center's School Funding Model.

Few CARES Act Dollars Allocated through the State Formula Per Student Supported Districts With the Most Hispanic Students



Source: Data analysis from Pennsylvania Budget and Policy Center's School Funding Model.

In light of the nation's heightened awareness in the year 2020 of inequality, especially racial injustice, these are stunning findings. No matter what the intentions or logic behind the distribution of this funding, its impact is clear: schools with the highest density of poor, Black, and Hispanic students received less funding than those with the least density, further entrenching existing inequities.

It is important for lawmakers and the public to understand the results of such a substantial misallocation of these emergency funds.

Should additional funds be forthcoming from the U.S. Congress, state lawmakers should not make the same mistake again. If there is discretion in allocating additional federal aid to school districts, Pennsylvania should distribute these funds in the way legislators agreed made sense—on a bipartisan basis—when they adopted the BEF funding formula.

To read the full report, including a list of how much funding each school district would have received if the state had allocated this federal aid via using the Basic Education Funding formula visit: <https://krc-pbpc.org>.