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Gov. Wolf's Education Plan Makes Historic \$1.3 Billion Investment in Public Schools

*Restores fairness to public school funding
Directs all existing state basic education funding through fair funding formula for first time
Eliminates or cuts taxes for two-thirds of Pennsylvanians*

Harrisburg, PA – Continuing to make the future of Pennsylvania's students a priority, Governor Tom Wolf's 2021 agenda makes a historic \$1.3 billion investment in public schools and creates fairness in education funding, while cutting taxes for working families and businesses.

The governor was joined for a virtual press conference by state Rep. Chris Rabb, Acting Education Secretary Noe Ortega and Allentown School District Superintendent Thomas Parker.

"Pennsylvania's school funding system is unfair to students, teachers and communities," said Gov. Wolf. "The state still largely funds schools based on student enrollment from 30 years ago, which underfunds growing districts from our small towns to our big cities. My common sense plan restores fairness to school funding to ensure every community can provide the quality education students need to succeed in life."

Directing \$6.4 billion in state funding through the fair funding formula

Pennsylvania has one of the most unfair school funding systems in the country and the fair funding formula created in 2016 applies only to new investments. Last year, only 11 percent, or \$700 million, of state funding ran through it. The remaining 89 percent, or \$5.5 billion, is still distributed based on student enrollment in 1992, without considering shifts in student counts or actual costs school districts face today. Urban and rural school districts with growing student enrollment must fill the funding gap with frequent property tax increases, adding to the burden of homeowners and businesses.

The governor's proposal runs all existing basic education funding, \$6.2 billion, plus a \$200 million increase this year, through the fair funding formula. Separately, an additional \$1.15 billion will ensure that no school loses a single dollar in state resources from using the formula.

“Growing districts in urban, suburban and rural communities will finally get their fair share and shrinking districts are protected,” said Gov. Wolf. “Because no matter where you live, every student deserves an opportunity to succeed. That’s what parents want for their children, and what Pennsylvania needs for our future.”

Allentown is an example of a community that has been underfunded for years and would benefit from putting all basic education funding through the fair funding formula for the first time in state history. The Allentown School District would receive an additional \$109 million, a 90 percent increase, as well as a 29 percent increase in special education funding.

“The basic formula for funding districts like Allentown create disparities in education that exacerbates disparities in communities,” said Allentown School District Superintendent Thomas Parker. “We have a number of fiscal realities in urban districts that cannot be ignored. Rising costs in healthcare and special education are examples of the issues we face, while our charter school tuition costs capture half of our current basic education allocation.

“The impact of this significant increase in funding would be felt immediately and provide relief to our tax payers who have seen property tax increase yearly as we have tackled a structural deficit while also trying to maintain critical staff and programs.”

Holding charter schools accountable

The governor is also proposing to hold charter schools accountable to provide a quality education, while preserving school choice, saving school districts \$229 million annually and putting students first.

Addressing the skyrocketing cost of charter and cyber charter schools, the plan proposes comprehensive Charter School Law reform to align taxpayer spending to actual charter school costs. The state’s Special Education Funding Formula would apply to charter schools as it already does for traditional public schools, saving \$99 million a year. The establishment of a statewide cyber school tuition rate would save school districts an additional \$130 million a year and end the practice of school districts paying vastly different tuition rates for the same education.

Tax cut for working families

The governor's plan makes a \$1.3 billion investment in education, while making the state’s tax structure more fair and equitable. Pennsylvania's tax system is one of the most unfair and regressive in the country, and it hurts working people. Working class and low-income families pay the same rate as the most well-off families, and the pandemic has only exposed the unfairness in the system.

Under the governor’s plan, the special tax forgiveness credit is expanded to reduce or eliminate taxes for working class families. Overall, 67 percent of Pennsylvanians will get a tax cut or pay the same. Families with two children making \$50,000 will have their taxes eliminated and families making less than \$84,000 will receive a tax cut.

The proposal increases the allowances for tax forgiveness to \$15,000 for single filers, \$30,000 for married filers, and \$10,000 allowance for each dependent. Filers with incomes at or below these thresholds will receive 100 percent tax forgiveness. The percentage of tax forgiveness declines by 1 percentage point for each \$500 above the threshold for 100 percent forgiveness.

Commitment to preparing students for success

The governor's 2021 budget also provides increases of \$200 million for special education, \$25 million for Pre-K Counts to serve 2,800 more children, \$5 million for Head Start Supplemental Assistance to serve 471 more children, and \$11 million for early intervention to serve 2,000 more children age 3 to 5. The plan also calls for setting the starting teacher salary to at least \$45,000 a year to attract more quality candidates and address the teacher shortage.

"The PA Department of Education is certainly pleased that Governor Wolf has once again prioritized education in his 2021-22 proposed budget," said Acting Secretary of Education Noe Ortega. "This historic investment in teaching and learning will strengthen Pennsylvania's public education system, create opportunities in every zip code, and ensure that our learners are college, career and community ready."

During the past six years, Gov. Wolf has secured an additional \$1.4 billion in funding for pre-K through college, including nearly \$800 million for basic education, \$140 million for special education and \$40 million for career and technical education. The innovative PAsmart program introduced new STEM and computer science programs into hundreds of schools across Pennsylvania, helping advance the state to fifth in the nation for the number of STEM graduates.

We need to build on those investments and put all Basic Education Funding through the Fair Funding Formula to ensure that schools get the resources they need and students get the education they deserve.

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