

**The Problem of Unconstitutional Educational Inequality Created by
Pennsylvania State Education Budget Policies for K-12 Public Schools**

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December 5, 2025

Abstract

Students from low-income families in Pennsylvania are subjected to severe educational inequality through under-budgeting for their schools by legislators in the PA General Assembly. This was confirmed by Judge Renée Cohn Jubelirer's ruling in *William Penn School District, et al., v. Pennsylvania Board of Education* (2023) which declared the funding inequality to be in violation of the state constitution. There are various factors in this inequality. First, the levels of funding from the state of Pennsylvania are low and place a much larger portion of the funding burden on local property taxes. Second, the effects of decades of racial discrimination against minorities, which took the form of redlining and other discriminatory financial practices, have further weakened the local economies in many areas where school funding has been lowest and produced generational poverty. This creates a vicious cycle, in which neighborhoods deteriorate, crime rises, and schools continue to struggle for funding even more as the families with the financial means to leave generally do. Although these problems tend to be worse in minority school districts, they are also often severe in predominantly white districts, rural and urban.

There are various possible solutions that could help to not only reduce budget deficits but also move funding up to levels at which there would be the chance for genuinely significant improvements in educational outcomes. There must be a clear recognition that the current funding levels from the state, federal, and local sources cannot come close to providing truly adequate funding for PA school districts with deep, generational poverty, high crime, and deteriorating school buildings, substandard educational technology, and low real estate values. The political causes must be recognized as well: party-line voting at the state, federal, and local levels which has driven the policies that virtually guarantee inadequate funding to the low-income school districts (both urban and rural). Another factor that could help solve the problem is to stop the creation of new charter schools and return as many charter schools as possible to being public schools. Research has repeatedly shown that charter schools are generally more expensive and get poorer academic results.

The current legislation under consideration in the PA Senate, HB 2370, which passed the PA House in June of 2024, offers a plan for comprehensive education budget reform but is being blocked by Republicans, who control the State Senate. They want expanded charter schools, no reform of current charter school funding policies (which have many loopholes leading to wasted funding), and generally oppose increasing state education spending on principle or changing the local-property-tax funding paradigm and also oppose imposing an extraction tax on fracking companies, despite extraction taxes being a proven method for augmenting education funding. Passing HB 2370 without any major changes by the Senate and also imposing a fracking extraction tax would solve the education funding crisis in PA and bring educational equality, career opportunities, and economic justice to low-income children and their families. The theories that pertain to this problem are: Conflict theory, cultural competency theory, Tiebout Theory, and Wave Theory. The perspectives include three categories. The first is PA state legislators, Democrat and Republican members of both the PA House and Senate. The second, which also has basically two major perspectives, is the educational constituency of PA families, whether Democratic or Republican. The third category is the educators themselves.

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Introduction

Inequality in education in PA K-12 public schools has been a major problem for decades, and after years of increasing inequality, there was a landmark decision by Pennsylvania Commonwealth Court Judge Renée Cohn Jubelirer (a Republican) in *William Penn School District, et al., v. Pennsylvania Board of Education* (2023), ruling that this inequality was in violation of the state constitution and must be remedied.

The purpose of this education funding policy paper will be to explore the policies that exist or have been proposed for state-wide educational funding that could affect the equality of education in Pennsylvania public schools (K-12). “PA public school funding policies” will be generally defined as all major policies/laws that exist or that have been proposed for the generation and distribution of revenue for public schools (K-12) in PA. One of the central questions it will answer is: What are the most effective current and proposed policies for the generation and distribution of revenue for PA public schools so that equality of educational opportunities and outcomes can be maximized? This question will be analyzed with special reference to the school budget reform bill, PA House 2370, which was passed by the PA House in June of 2024 but is currently stalled in a PA Senate committee with a low probability of being passed without substantial modification or significant public pressure from PA voters.

This educational funding inequality can be explained in part by a “conflict theory” approach; many PA legislators from relatively high-income districts tend to be majority white and think that extra funds going to poorer districts will be funds taken from theirs. By basing most school funding on local property taxes since the mid 20th century, the Pennsylvania state

legislature has built in a virtual guarantee that students from low-income areas, and Black and Hispanic students in particular, receive far fewer dollars per capita in educational spending. This problem is especially severe in Philadelphia and other large urban districts because a far higher percentage of Blacks and Hispanic students live in Philadelphia neighborhoods with lower property values, as well as in low-income neighborhoods in Pittsburgh. However, there are also several majority-white districts outside of these major urban centers that suffer from inadequate education budgets due to the funding system based on local property taxes. In fact, some of PA's poorest children are white and live in rural areas where farming has become unprofitable or where small towns/cities have lost their industrial base with the shuttering of steel mills, coal mines, and various types of manufacturing. Duren & Stelle (2023), of the Commonwealth Foundation note: "Poverty in Pennsylvania occurs in urban and rural settings. In fact, four of the five counties with the highest poverty rates are rural. Philadelphia has the highest concentration of poverty at nearly 23 percent, while in Forest County it is 19.6 percent." The fact that Forest County, in the mountains of northwestern PA, has a poverty rate almost as high as Philadelphia proves that extreme poverty and unequal educational quality are not restricted to urban areas with high percentages of minority students.

In addition to conflict theory, cultural competency theory can help explain, at least in part, how and why PA K-12 school-system budgets are produced and implemented in the ways they are. Most of the budgeting and regulating for PA is, of course, handled by the state legislature, but the demographics and experiences of the decision-makers at the state level are often vastly different from those of the students, teachers, and administrators in particular districts. Because most policy legislation is passed by a simple majority, it is fair to assume that in most cases, school budget/funding legislation will be written and then either passed or

defeated based on the opinions of affluent-to-wealthy white legislators, about two thirds of which are male.

Another theory that helps explain the historical reasons and general socio-economic stances that led to property-tax-based education funding in PA (and much of the US) is the Tiebout Model. Created by economist Charles Tiebout, the Tiebout Model, published in 1956, was popular during a time when America was still quite segregated, especially in its schools, and it reflected the basic economic and racial consensus of the white male majority in the PA state legislature and state legislatures across the nation. The theory presented a “free market” view of the problem of inequality of funding of public schools, one which basically claimed that if citizens or “consumer-voters” (in Tiebout’s terms), want to avoid low-quality education, they simply need to exercise their free will and move to the school districts where school funding revenues and expenditures are higher: “If consumer-voters are fully mobile, the appropriate local governments, whose revenue-expenditures patterns are set, are adopted by the consumer-voters” (Tiebout 1956, 424). The problem with this “vote with your feet” model is that it assumes “fairness” based on the assumption that the majority of “consumer-voters” actually are or ever can be “fully mobile,” when, in fact, most are not because they are financially excluded from moving to local school districts that provide the spending necessary for high-quality education.

The fourth applicable theoretical model is the Wave Theory, which specifically addresses the different “waves” of legal theoretical principles used to justify school funding reforms, including the federal equal protection principle, the state equal protection principle, and the educational adequacy principle (Briffault, 2006).

In order to better understand how and why the problem of unconstitutional educational inequality in Pennsylvania developed and what the best possible solutions are, it is useful to view

this problem from various major perspectives. The first category is that of the PA state legislators, and there are, for all intents and purposes, only two perspectives: Democrat and Republican members of both the PA House and Senate. The second category, which also has basically two major perspectives, is the educational constituency of PA families, whether Democratic or Republican, who either want more school funding to address inequality, or the same or less funding because they feel the system is already fair. The third category is the educators themselves, who, of course, as a whole tend to be Democratic, and in favor of more equitable funding policies not necessarily because they are Democrats but because they see first-hand the problems caused by inadequate funding.

This leads to the central question: How can the current state legislative gridlock caused by this “zero-sum game” mentality and lack of cultural competency be overcome, and how should the PA K-12 education funding policy be modified in order to better address the severe problems of inadequate education and unequal funding in PA’s low-income public schools? A thorough analysis of the background information on the history of the causes of and attempted solutions to the problem, as well as current proposed solutions, will show that the best approach today would involve a combination of passing HB 2370 and using both the state’s current budget surplus, along with the imposition of an extraction tax on PA fracking companies, to provide initial and ongoing revenue.

Literature Review

The History, Theory, and Causes of Unequal Education Funding in Pennsylvania

Judge Jubelirer opened her 786-page written decision on *William Penn School District, et al., v. Pennsylvania Board of Education* with the words of Pennsylvania's greatest Founding Father and proponent of education:

Benjamin Franklin once said “[a]n investment in knowledge pays the best interest.” Here, the question is whether the investment the Commonwealth of Pennsylvania has made in its system of public education complies with the Pennsylvania Constitution. Six school districts, along with some parents and their children, and two organizations, brought this action in the Court’s original jurisdiction nearly a decade ago, claiming Respondents are not investing enough, particularly in the lower-wealth school districts across the Commonwealth and, as a result, are not meeting their constitutional duties. Specifically, at issue is whether the General Assembly has provided for the “maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth,” as the Education Clause of the Pennsylvania Constitution, PA. CONST. art. III, § 14, requires. (Jubelirer, 2023, 1-2)

There are decades of policy history leading up to this judicial turning point. Long before Judge Jubelirer wrote her decision, the PA Public School Code of 1949 created the framework for school funding/budgeting that has remained essentially unchanged in its core elements and has consistently led to unequal funding and inadequate education for low-income school districts. Most pertinent to today’s adequacy and equity problems, this law established local property taxes as a central element of school funding. Section 507 (General Powers, Taxation) of

the PA Public School Code of 1949 states: “In order to establish, enlarge, equip, furnish, operate, and maintain any schools or departments herein provided,...the board of school directors in each school district is hereby vested with all the necessary authority and power annually to levy and collect, in the manner herein provided, the necessary taxes required, in addition to the annual State appropriation, and shall have, and be vested with, all necessary power and authority to comply with and carry out any or all of the provisions of this act.” As Penn State professor of education Matthew Kelly (2023) notes, throughout the US, property-tax-based funding was created deliberately to maintain advantages for wealthy, and largely white, districts: “The use of local taxes to fund public schools...—and the massive inequalities it has created and maintains to this day—was not the inadvertent or de facto product of past practices. To the contrary, local financing was adopted in place of well-known alternatives in the 1910s and 1920s, against past precedent and principle at the time. In other words, the notorious inequalities produced by localized funding were not by default but by design (Kelly 2023, p. 4). The purpose of this design also often had racist elements, as Kelly explains: “The major consequence of this reliance on unequal tax bases for funding was reflected in a widening chasm in education spending that both reflected, and helped drive, racial and economic segregation between school districts” (Kelly 2023, p. 8). In other words, the local property tax funding of public education was a carefully constructed method for maintaining white control of education and overall segregation. It was very common practice across the nation, and it began well before the 1940s, with the practice being in place in the 1920s in many areas. It was often driven by racist motives, giving far better educational opportunities to white students, especially in wealthy neighborhoods and generally giving the worst to Black and other minority students, keeping minorities as a whole poorly educated and unable to gain more economic or political power. Although *Brown v. Board*

of Education (1954) made segregation in schools unconstitutional and did allow a small number of minority students limited access to some white schools, it had virtually no effect on local property-tax-based school funding. Thus, although minority students had the theoretical right to attend schools in wealthier, white districts, the vast majority of them came from families that could not afford to live in or even near those districts. People could, theoretically, “vote with their feet” as Tiebout claimed, but in practice only an extremely small number of the poor, regardless of race, could do that.

Heather McGhee (2021) interviewed education policy researchers Michael Norton and Samuel Sommers about their study of this problem, which they see as rooted in the flawed perception of gains and losses: ““It turns out that the average white person views racism as a zero sum game.... If things are getting better for Black people, it must be at the expense of white people” (McGhee 6). This mentality is reflected in the approach of many legislators who are making decisions about how to fund PA’s public schools. By basing most school funding on local property taxes since the mid 20th century, the Pennsylvania state legislature has built a virtual guarantee that students from low-income areas, and Black and Hispanic students in particular, receive far fewer dollars per capita in educational spending.

In terms of cultural competency, at the state level the decision makers are a majority white and range from affluent to extremely wealthy. While the state population is 73% white, about 88% of the General Assembly is white (Levy, 2022), and economically they tend to range from affluent to extremely wealthy, and most do not come from dense urban areas. This can cause them to not understand why inner city schools or low-income rural schools may need more funding or may need different kinds of funding as compared to students in the suburbs or rural areas.

Today, curiously, the Tiebout Model is still a significant theoretical approach taken, especially by many Republican legislators. This approach, which basically says, “if you don’t like your school district, you’re free to move to a better one,” assumes, of course, that the poor actually have the financial freedom to move to better school districts. The Tiebout Model, and other less formal versions of it, reflect the economic ethics of the time when the Pennsylvania Public School Code of 1949 was written and passed into law. Mid-20th-century America was experiencing the postwar capitalist boom and white males were the leaders of almost every major governmental, political, and corporate organization, especially in Pennsylvania. Thus, the adoption of property-tax-based school funding and a “free market, free will” attitude toward individuals who want higher levels of education funding were predictable and became deeply entrenched, especially in the PA State Senate.

Wave theory can help explain both what education funding policy reformers were opposing and the tactics they used over the years as they adapted to changing judicial positions in both the US Supreme Court and state courts. As Richard Briffault (2006) of Columbia University explains: “The law of school finance reform is conventionally described as consisting of three ‘waves,’ each associated with a distinctive legal theory. In the first wave, which began in the late 1960s, plaintiffs relied on the Equal Protection Clause of the federal constitution to challenge the disparities in per-pupil expenditures among school districts within a state attributable to the state’s reliance on the local property tax to fund elementary and secondary education. This wave ebbed abruptly in 1973 when the United States Supreme Court rejected the federal equal protection theory in *San Antonio Independent School District v. Rodriguez*.” Briffault (2006, p. 1) observes that this first wave was “immediately followed by a second wave, in which plaintiffs continued to focus on the interdistrict spending inequities resulting from the

property-taxed based system of school funding but grounded their legal attack on the equal protection provisions of state constitutions. Plaintiffs won a number of notable state cases on this theory in the 1970s and 1980s.” This did not last very long, however: “By the mid-1980s, however, this wave, too, receded, as more state courts rebuffed equal protection challenges. The third wave arose in 1989 with decisions by the state supreme courts of Kentucky, Montana, and Texas that assertedly shifted the basis of litigation and adjudication from state equal protection clauses to the state constitutional provisions directing state governments to provide public elementary and secondary education, and the theory of reform shifted from equity to adequacy” (Briffault, 2006, p. 2). The adequacy theory takes a significantly different stance, as Briffault explains: “Under the adequacy theory, the constitutional violation is not that school districts depend on drastically unequal property tax bases or that per pupil expenditures vary across districts largely according to local wealth, but that the state government has failed to assure that all public school children in the state are receiving an adequate education.” It is not enough to say that funding per pupil is being “equalized”; there must also be proof that the changes in funding and specific spending are actually working: “Concomitantly, the appropriate remedy shifts from equalizing tax bases or per-pupil spending to assuring that an adequate education is provided to all schoolchildren. The shift from equity to adequacy has been credited with the greater success school finance reform plaintiffs have enjoyed in the last fifteen years” (Briffault 2006, pp. 1-2). Adequacy theory is central to both Judge Jubelirer’s decision and in the writing of HB 2073, but equality also plays a role.

Briffault (2006, p. 4) explains the way in which the line between equality and adequacy arguments is often blurred: “More importantly for understanding the relationship between adequacy and equity in legal theory, courts have repeatedly recognized the interconnections of

adequacy and equality, even as they have also struggled to maintain some degree of separation between the two ideas. In many cases, judicial analysis of adequacy is heavily suffused with equity concerns. A judicial determination of educational inadequacy in a particular school district is almost always predicated on some finding of inequity. Typically, the court will compare the education provided in the plaintiff district or districts – measured either in terms of inputs like class size, teacher qualifications, curricular scope, physical plant, or quality of textbooks and other educational materials, or in terms of educational outputs like performance on standardized tests, graduation and dropout rates and need for remedial education – with the quality of the education provided in other, usually more affluent, districts. Significant inequalities are treated as powerful evidence of inadequacy” (Briffault, 2006, p.4).

Today in Pennsylvania, racism is still a significant factor and minority students are affected at a higher rate than whites, but this profound inequality in education also affects low-income white children, particularly in rural areas of PA, as reflected in the fact that several plaintiffs in the case ultimately heard by Judge Jubelirer were from rural/smalltown or small city districts such as Panther Valley, Lancaster; Greater Johnstown, Wilkes-Barre, and Shenandoah Valley. Although poor white-majority rural districts have certainly suffered significant harm, there is good reason to believe that funding inequality has often been driven by racist attitudes of some PA state legislators. In 2021, Dale Mezzacappa reported on the efforts of Pennsylvania Republican legislators to block evidence that minority students in PA, especially Black and Hispanic students, do not receive equal educational opportunities: “As a trial nears in a landmark fair funding case, Republican legislative leaders want to block evidence that Pennsylvania’s Black and Hispanic students fare worse on traditional measures of academic achievement than their white peers.” Mezzacappa (2021) adds that : “Six school districts, joined by several parents

and civil rights groups, filed the suit nearly seven years ago against the state government. They allege that Pennsylvania's school funding method violates its state constitutional mandate to provide a 'thorough and efficient' system of education for all students, and denies them their rights under the 'equal protection' clause." Mezzacappa (2021) further explains: "Those in districts with high poverty rates and low property wealth have been shortchanged, the plaintiffs contend, as Pennsylvania's system puts much of the funding burden on local taxes. That has led to some of the biggest gaps in per-student spending between rich and poor districts of any state in the country." One of the clearest indicators of ongoing discrimination against minority students is that "Despite adopting a fair funding formula in 2016 that would distribute state education aid based on poverty rates, student needs, local property wealth, and median incomes, the legislature has not applied the formula to most of the funds it distributes" Mezzacappa (2021). Mezzacappa (2021) presents more data proving how clearly discriminatory these budgeting practices are: "Black and Latino students make up about a quarter of the state's K-12 population, but half of Black students and 40% of Latino students attend school in the poorest fifth of the state's districts." Mezzacappa (2021) adds that "the relative lack of resources results in larger class sizes, fewer qualified teachers, more buildings in disrepair, and fewer opportunities for after-school activities, including sports, along with other disadvantages that contribute to worse educational outcomes for students of color." More specifically, "While students of all races experience underfunding, the quintile of districts with the most concentrated numbers of African American and Hispanic students are \$1.4 billion more underfunded than the shortfall in districts with the fewest students of color,' plaintiffs say in their brief" (Mezzacappa, 2021). Perhaps the most alarming statistic is that "Some 80% of students of color attend school in districts that would receive more funding if the state distributed its revenue according to its

own funding formula” (Mezzacappa, 2021). All of the evidence Mezzacappa presents strongly supports the argument that the inequity and inadequacy of public school education affects minority children in Pennsylvania to a much greater degree than white children, and that this situation has been deliberately engineered over decades.

Legal and Financial Background on *William Penn School District v. PA Dept. of Education*.

Kat Stein of the Penn Graduate School of Education (2024) reported on a lecture given in May of 2024 by the attorneys who successfully tried *William Penn School District et al v. Pennsylvania Department of Education*. Their arguments convinced Judge Jubelirer to rule that PA’s present education funding is unconstitutional on the grounds that it is so unequal that it caused education to be “inadequate” for low-wealth districts. The adequacy model, the “third wave” of Wave Theory, was central to their argument, as was the concept of “thorough and efficient education,” as the lead attorneys, explained: “Gordon Klehr began by highlighting the inadequacy of the current funding model, which relies heavily on local property taxes and, therefore, disadvantages low-wealth districts. While districts across the country are funded by some combination of federal, state, and local dollars, Pennsylvania is among the most reliant on local money. ‘When we filed the case, Pennsylvania was paying about 36 percent of the funds to school districts — about 10 percentage points lower than most other states,’ she said. ‘And that had a huge impact on our schools and inequity because districts then had to rely on local wealth to raise the money they weren’t getting from the state’” (Stein, 2024). One of Gordon-Klehr’s fellow lawyers, Urevick-Ackelsberg, added, “That matters...because the Pennsylvania constitution requires a ‘thorough and efficient system’ of education for all students. He discussed the historical principles of the constitution’s language and how it led to the ruling” (Stein, 2024).

A central element of the state constitutional definition of “adequate” education is that it has to be “thorough and efficient,” and this applies to all grades, K-12. In other words, if the education system is not adequate, thorough and efficient for all grades in a given school district, it is failing to meet its constitutional obligations, and ultimately, this responsibility falls on the state government of PA, especially its legislators, who must make sure there are sufficient funds to make K-12 education meet these constitutional standards.

Education funding is usually one of the largest and most contested portions of most state budgets, and Pennsylvania is no exception. The PA Treasury (2025) reports that in 2024, Education, at \$17.4 billion, made up 37.6% of the total PA state budget of \$47.2 billion. This was second only to Human Services, which made up 40.8% at \$19.3 billion. Pennsylvania’s funding per pupil, however, is significantly lower than that of other high-population nearby states in the region. According to the National Center for Education Statistics (2025), PA spends an average of \$22,600 per pupil, while New Jersey spends \$27,800, which is about 24% more than PA, and New York spends \$32,200, about 42% more. Although Pennsylvania has greater room for improvement in this area, its core problem of state funding being too low and local property tax funding being too high is prevalent across the entire nation. According to the Peterson Foundation (2025), national averages for total K-12 funding sources are: State funds at 45%, local at 43% and federal at 13%, and this is because most states use the local property tax system for school funding and have similar inequality problems. Thus, if PA can devise a solution to the problem of educational funding inequality, it would not only be very significant for the state but would have broad applicability across the nation, especially because Pennsylvania is a relatively large state with a mix of many different types of school districts, from small rural to large urban, and thus is a good representation of the nation as a whole. The

Peterson Foundation (2025), like many other organizations, sees the root of educational inequality in the reliance on local property taxes to fund such a large proportion of each school district's budget: "Nearly 43 percent of funding for public education stems from local taxes. As a result, funding can vary widely among school districts based on the wealth of families living in them. School districts with high-value property are often able to fund their schools above the minimum level established by the state, contributing to wider disparities. Those disparities become more apparent during economic downturns because wealthier school districts benefit from relatively stable revenues from property taxes." The Peterson Foundation's opinion is yet another piece of evidence indicating that the vast majority of experts concur that the heavy reliance on local property taxes to fund public schools is one of the most important root causes of educational inequality in Pennsylvania and throughout most of the US.

As indicated above, one of the reasons why education funding creates so much conflict among PA legislators is that, as in most states, it is such a large part of the state budget. The major different perspectives on the education funding issue include those of PA Republican state legislators and PA Democratic state legislators, and those of high-income school districts and low-income school districts, as well as the respective parents and students in those high-income and low-income school districts. The problem of perspective plays out in the widely varying levels of awareness and concern about crucial problems that result from inadequate funding and how it affects the ability for a school system to provide adequate education to its students. One of the factors that has created inequality in achieving adequate educational outcomes is the school building deterioration crisis, which, at root, is a problem caused by underfunding. For example, there has been chronic underfunding of the School District of Philadelphia for decades, and this is the result of state tax laws that base school funding on local property taxes. The problem of

perspective comes into play in this situation because many Pennsylvania state legislators simply are not aware of how bad building conditions are in low-income school districts such as the School District of Philadelphia, or, if they are aware, they view the problem as being one that those school districts themselves have to solve.

PA State Government Responses to the Jubelirer Decision

Judge Jubelirer's decision, however, is at least having the effect of raising awareness of the overall underfunding problem and has compelled legislative action. Even though her decision will probably be appealed, it has given new impetus to school funding reform. In response to the Jubelirer decision, the General Assembly and Governor Shapiro met to create a budgeting/funding solution and eventually wrote House Bill 2370, sponsored primarily by PA House Democrats. HB 2370 proposes \$5.1 billion in new funding for schools to be distributed over 5 years based on needs of schools that are not meeting educational outcome standards due to lack of funding, a proposed 29% increase over 2024/2025 levels. The PA Democratic House members who sponsored HB 2370 issued an official statement on the bill, justifying and explaining it based on the Jubelirer decision: "Pennsylvania's public education funding system is unconstitutional. It is our constitutional duty to fix it. The Court ruled that the 'thorough and efficient' clause in our state Constitution 'requires that every student receive a meaningful opportunity to succeed academically, socially, and civically, which requires that all students have access to a comprehensive, effective, and contemporary system of public education.' Unfortunately, as the Court ruling summarized, Pennsylvania's overreliance on local property taxes results in low-wealth school districts never being able to provide adequate funding for staffing, courses, curricula, and facilities. The state must step up and provide adequate funding in

a way that makes Pennsylvania’s constitutional promise a reality for all students” (House Co-Sponsorship Memo 42661: A Thorough and Efficient System of Public Education. May 7, 2024).

HB 2370 was written by a bipartisan committee and was passed by the Democratic-led House with a vote of 107-94 on June 10, 2024, but then was sent to the PA Senate, specifically to the Republican-majority Senate Education Committee, but there has been no action taken on it yet nor is any likely for quite some time. Despite the fact that Judge Jubelirer is a Republican, most PA Republican legislators oppose almost all the major features of the bill, and most experts expect that Senate Republicans will probably keep HB 2370 in committee for as long as possible and then try to kill it or delay it with appeals until after the 2026 midterm elections. Because the PA Senate Education Committee has seven Republican members and four Democratic members, its timely approval without major modifications is improbable even though the budget dispute has been resolved and a new state budget was passed. Although the state budget that was passed after long delays in 2025 did make some progress on some of the education funding problems that HB 2370 addresses, it did not by any means solve those problems but only provides increases in education funding for one year.

In HB 2370 there is a clear, detailed framework for long-term success in solving the problem, as laid out by the bipartisan House Committee in its House Co-Sponsorship Memo 42661: A Thorough and Efficient System of Public Education. May 7, 2024, which explains why legislators should vote for it:

With Governor Shapiro’s proposed \$1.1 billion investment, \$200 million would be distributed through the fair funding formula benefiting all 500 school districts.

Determines an adequate spending target for each school district and commits to paying down the adequacy gap over a period of seven years. Statewide, the state is responsible

for a \$5.1 billion adequacy gap across 371 school districts. Closing this gap over a 7-year period requires a \$735 million adequacy investment each year. School districts are required to spend these funds on programs that are proven to improve student success. Provides tax equity payments for the school districts with the highest tax burdens relative to their local resources. This funding (\$1 billion over seven years) will help 169 school districts provide property tax relief or mitigate future increases. The attached spreadsheet has the 2024/25 estimates and the 7-year adequacy and equity gaps by school district from the Basic Education Funding Commission’s majority report. Finally, this legislation will include cyber charter school funding reforms that will provide several hundred million dollars in savings to school districts. Please join us in co-sponsoring this legislation for the benefit of students, teachers, and communities all across our commonwealth.” (House Co-Sponsorship Memo 42661: A Thorough and Efficient System of Public Education. May 7, 2024)

The Pennsylvania House Committee on Appropriations published a “Fiscal note explaining funding proposals of HB 2370,” in which the basic funding numbers are explained: “House Bill 2370 modifies the existing fair funding formula by incorporating three-year averages of formula factors for poverty, concentrated poverty, median household income, and number of households. It also resets the base as the 2023/24 allocation (\$7.87 billion) compared to the current base of \$5.88 billion (2014/15 allocation with adjustments). While the bill does not contain an appropriation for basic education funding, the calculation of the new adequacy and equity supplements necessitates a certain appropriation level to fully fund the supplements. The amount of funding distributed through the modified fair funding formula will be the amount remaining in the appropriation after the payments for the base, adequacy supplement, and tax

equity supplement are made. The Department of Education (PDE) is instructed to prorate funds in that order in the event of an insufficient appropriation. The data used to calculate the adequacy and tax equity supplements is the most recent available as of June 1, 2023. The bill calculates a total adequacy gap (\$5.1 billion) and tax equity gap (\$955 million) and allocates 1/7th of that amount each year for the next seven years. These supplement amounts become part of the base amount in subsequent years.”

The Republican opposition to HB 2370 has been presented by several Republican legislators in various forums. On June 14, 2024, just a few days after the passage of HB 2370 by the House, State Rep Doyle Heffley, a Republican from Carbon County, voiced his opposition to it and explained his vote against it in an official statement, which reflects the overall opinion of PA Republicans on this issue: “House Bill 2370 was a Democrat version of the school funding formula that fails at providing the transformational change needed to boost classroom success for all students. We are aware of last year’s ruling by the Commonwealth Court that our education funding system is unconstitutional. I fully support a new school funding formula and believe many school districts would benefit from one. What I don’t like is how the House Democrats rolled out this legislation and its contents in a matter of only 24 hours. The document is 84 pages long. The bill was automatically voted out of committee with no amendments. Democratic leadership blocked the ability to amend the bill on the House floor on second consideration. Typically, for a major bill like this, the bipartisan process should take days or even weeks. I voted against House Bill 2370. This was a partisan, political move by Democrats. There was no time to address the inadequacies that are currently in our education systems. In addition, this bill runs short on property tax relief. We’re spending an additional \$5 billion on public education, and not one dime is going towards property tax relief. This is a big issue for me. This legislation

needs to provide adequate funding for students and their school choice as well as ensure the additional dollars will provide property tax relief for homeowners across the Commonwealth. We cannot throw money at systems without requiring some accountability. We must invest in our students. I am hopeful the Senate will see through this legislation, and we will come up with a fair funding solution.” The emphasis on lowering property taxes that Heffley presents as so crucial, is, however, a very dubious goal, given that the current system for education funding is so reliant on revenues from property taxes.

When the 2025-2026 PA budget was passed, it incorporated some elements of HB 2370, as the PA Governor’s Office said delivered, “Historic Funding for K-12 Education and Investing in All Pathways to Success — Ensuring Pennsylvania Students Have the Freedom to Chart Their Own Course”. The Office of the Governor gave a good deal of detail on the school funding elements of the budget, in part because education funding and educational quality are top concerns of many constituents, and it included bolded text to emphasize the key funding elements: “Governor Shapiro has made historic investments to give every Pennsylvania student the freedom to chart their own course — ensuring schools have the resources to help students succeed, teachers have the support they deserve, and families have access to affordable early learning opportunities. Building on last year’s record-setting K–12 funding, the 2025–26 budget delivers more than \$900 million in additional funding for pre-K–12 public education – and includes historic reforms to Pennsylvania’s cyber charter reimbursement system, saving public schools an additional \$175 million. Taken together, under Governor Shapiro’s leadership, Pennsylvania has increased funding for our schools by nearly \$3 billion since the Governor took office. The investments in this year’s budget include: \$565 million in new adequacy funding to expand support to all school districts across the Commonwealth and a \$105 million increase for

Basic Education Funding. The adequacy funding formula was expanded to drive out more money to schools. \$40 million increase for Special Education Funding, continuing the Governor's commitment to equitable education for all students. \$175 million in estimated savings for school districts through historic Cyber Charter Reform. Comprehensive changes to Pennsylvania's cyber charter school law align tuition payments with the actual cost of providing an online education, add new allowable deductions for costs not incurred by cyber charters, and close loopholes that inflated payments — saving public schools \$175 million statewide. \$125 million for school infrastructure improvements to create safe, healthy learning environments — including \$25 million for the Solar for Schools program to lower energy costs and promote sustainability.... Together, these investments continue Governor Shapiro's historic work to create opportunity for young Pennsylvanians — ensuring that students, educators, and families have the freedom to chart their own course and succeed in a Commonwealth that invests in their future.” The most significant change is the \$565 million in new adequacy funding for K-12, which is a 68% increase over 2024-2025 budget, according to the PA Department of Education (2025). However, with 3,465 schools in PA, the \$900 million increase for 2026 works out to about \$260,000 per school, the equivalent of adding about 3-4 new teachers when taking into consideration total pay and benefits, but this is funding spread across the state and spread across several different spending categories, which means the dollar per category are actually much lower. In addition, this is only a budget, not a permanent piece of legislation that would assure greater funding for education in perpetuity.

The School District of Philadelphia Funding Crises as Case Study of State-wide Problem

Today's legislative struggles over school funding are rooted in a long, complicated history of entrenched viewpoints based on conflict theory, an "us versus them" attitude, and many of these developed over fiercely partisan legislative battles about how to handle funding crises in Pennsylvania's largest school district, the School District of Philadelphia. Nowhere in PA is the problem of unequal school funding more severe and racially driven than in the School District of Philadelphia. In order to understand the budget challenges faced by the School District of Philadelphia today, it is necessary to know the long history of its budget problems and how they are directly related to PA state school funding laws that base so much of a school district's budget on local property taxes. These same basic budget problems/issues of the School District of Philadelphia have been serious for decades. As Weiner (1978) indicated 45 years ago, Philadelphia was part of a nationwide problem of assuring "greater efficiency and effectiveness in resource allocations in the face of increasingly scarce funds available to urban public school systems." Weiner (1978) concluded that "the school district has great difficulty developing a budget that emphasizes education, satisfies the political powers, and is acceptable to employee unions."

The history of PA's deliberate underfunding of low-income districts created a situation in which problems that were already severe have generally gotten even worse, especially in the poorest districts. It is also imperative to understand what happened during the period of time when the state of Pennsylvania took control of the School District of Philadelphia. Travers (2004) explains, the takeover as well as the background causes of chronic budget shortfalls: "The state takeover of the Philadelphia School District in December, 2001 has its roots in the chronic low test scores of district students and a history of inequitable financing which left the District with substantial and perpetual deficits in recent years. Some history of the education funding

inequity in Pennsylvania is useful, in order to understand Philadelphia's particular financial predicament.” Travers (2004) points out that Pennsylvania ranked “significantly below the state average among states in terms of the percentage of state taxes devoted to education. As a result, many districts rely heavily on local property taxes, a situation that has produced gross inequities in school districts' per pupil spending.” As further explanation of this problem, Travers (2004) states “In 1993, the Pennsylvania legislature voted to freeze the funding formula, the ‘Education Subsidy for Basic Education,’ so that the funds allotted from the state to districts no longer increased in response to increases in enrollment, proportion of students with special needs, ability to raise local taxes, etc. Since Philadelphia experienced increased enrollment during the 1990s and has a disproportionately high number of students with special needs, this legislation was especially harmful to the financial health of the School District of Philadelphia.” The reason for this is that (Travers 2004): “Even though Philadelphia's local tax rate is essentially double that of surrounding counties, property values in Philadelphia are so low that the school district was not able to compensate for the loss of state funds. Confronted with ongoing (\$200 million plus) deficits in projected district budgets and Superintendent Hornbeck's threat to adopt an unbalanced budget if the state did not provide sufficient funding to Philadelphia, in 1998 the Pennsylvania Legislature passed a takeover law, Act 46.” As Travers (2004) points out, this was no coincidental legislation: “Act 46 allows the state to take control of financially troubled school districts and was specifically written with Philadelphia in mind.” In many respects it was predictable that Republican PA legislators would want to see the power of a Democrat-controlled city diminished. It would be another means by which Republicans could hold on to control of both education policy and political power in the state as a whole.

This general trend of budgetary crisis and low school performance continued, as Gold et al (2007) reported: “In May 2007, the School District of Philadelphia was in crisis again..., a major budget shortfall resulted in a slew of proposed cuts in programs and services and an onslaught of negative media coverage. Parents, local leaders, youth, and community organizations were outraged— and not just by the cuts.” The result of this was, as Gold et al (2007) explain, that “angry Philadelphians berated district leaders for a six-year history of behind-closed-doors decisions, creeping privatization of a public system, and a lack of accountability to tax-paying citizens. District leaders, meanwhile, struggled to reassure an anxious public and staunch the flow of red ink.” This, of course, worked to the benefit of PA Republican legislators because they could attribute yet another school crisis to “Democratic Party incompetence.”

Caskey and Kuperberg (2014) outlined the major causes and effects of the school budget crisis of 2012 as well as the ongoing political ramifications: “Three specific events triggered the 2012 crisis: an abrupt reduction in federal and state funding (see Figure 1), the inability of the district to cut many of its costs, and political pressures on the district to spend available revenues in a given year.” Part of the problem is how funding is sourced for the School District of Philadelphia: “With no independent taxing authority, the district depends for funding on annual allocations from the city, state, and federal governments. Of the district’s \$2.7 billion in revenues in 2013, 50 percent came from the state and 14 percent from the federal government; city and local contributions made up the remainder” (Caskey and Kuperberg, 2014). Caskey and Kuperberg (2014) add that “The largest component of educational expenditure is personnel, so it is not surprising that the district looked to the workforce for potential cuts.” Clearly, the budget of the School District of Philadelphia has been a major problem that has affected the lives of

hundreds of thousands of Philadelphians negatively for years. It is fair to say that PA Republican legislators, as a whole, benefit politically from allowing the unequal funding and inadequate educational outcomes to continue.

Recent budgets have continued to be points of contention, with various stakeholders having very different views of the adequacy of funding and the way it is being distributed within the budget. Falk (2022) reports: “The School District of Philadelphia has unveiled its proposed \$3.9 billion budget for the next school year — a proposal the principals’ union is calling a ‘massacre’ but district officials insist will put more resources into many classrooms. ‘The current [school] year, we have a record number of support for students,’ said Uri Monson, the district’s chief financial officer, as he presented the budget at a school board meeting Thursday night. ‘The proposed budget is an increase of \$170 million in district-operated schools, despite continued enrollment loss over the current year.’ But some school principals and administrators say the new budget will lead to staffing cuts at their schools, at a crucial time when students are trying to regain ground lost during the pandemic. ‘There should never be a day when a principal has to beg for money to provide the bare minimum for students to achieve,’ Julian Graham, an assistant principal at Bartram High School, told the board. ‘Stop treating education as a business and treat it as a birthright.’” This opinion connects to Judge Jubelirer’s ruling that the current state of K-12 educational inequality is unconstitutional, asserting that each child being educated in PA schools has a constitutional right to a “thorough and efficient” education.

The basic data about size and types of schools in the Philadelphia School District help to contextualize the budget as a whole and show how race factors into the inequality. Total student enrollment is 197,288, with 113,443 students at district-operated schools, 64,498 at charter schools, 13,405 at cyber charters and 3,624 in alternative education schools, 2318 “other” (PSD

Fast Facts, 2023). There are 329 schools, 217 District operated, 83 charter-operated, 29 alternative education (PSD Fast Facts, 2023). The racial breakdown of the student population is Black/African-American 51%, Hispanic/Latino 23%, White 13%, Asian 7%, Multi-racial/Other 5% (PSD Fast Facts). The basic budget funding sources and amounts are: local \$1.7 billion, state \$2.2 billion, federal \$17 million, and federal grant relief \$555 million” (PSD Fast Facts, 2023). With such a large school district that is already underfunded, bringing in more charter schools, which are more expensive to run than regular district schools, makes a bad funding scenario even worse, and this is one of the major reasons why HB 2370 includes major funding cuts to cyber-charter and regular charter schools.

Unfortunately, the school budget situation in Philadelphia is dire, and it reflects the nationwide problems rooted in low federal funding and rising costs, harming students in low-income areas the most, as Allegretto et al, (2022) show: “Education funding in the United States relies primarily on state and local resources, with just a tiny share of total revenues allotted by the federal government. Most analyses of the primary school finance metrics—equity, adequacy, effort, and sufficiency—raise serious questions about whether the existing system is living up to the ideal of providing a sound education equitably to all children at all times. Districts in high-poverty areas, which serve larger shares of students of color, get less funding per student than districts in low-poverty areas, which predominantly serve white students, highlighting the system’s inequity. School districts in general—but especially those in high-poverty areas—are not spending enough to achieve national average test scores, which is an established benchmark for assessing adequacy. Efforts states make to invest in education vary significantly. And the system is ill-prepared to adapt to unexpected emergencies.” The fact that this is a nationwide problem makes the measures that Pennsylvania takes all the more significant. If a large, diverse

state like PA can make significant positive changes in school funding policy, then other states should be able to as well.

School Budget and Racial Equity Questions

Camika Royal (2022), in her book, *Not paved for us: Black educators and public school reform in Philadelphia*, which as published by Harvard Education Press, presents a history of the failures and successes of the School District of Philadelphia's attempts at reform and sees most of its problems as being rooted in the systemic racism that has choked off funding to the schools in greatest need. Recently, there has been recognition of the necessity for greater racial equity in the City of Philadelphia budget. There is a general push for greater racial equity in the Budget Office of the City of Philadelphia (2022): "We believe in a Philadelphia where all residents and visitors are safe, healthy, and have all basic needs met necessary to achieve their dreams. We envision a city where race is not a determinant of success, and everyone thrives, including LGBTQ+ individuals, women, people with disabilities, low-income households and other historically marginalized and underrepresented groups in Philadelphia. To help us align our budget decisions with that vision, we will be asking a set of questions about racial equity as part of the budget call. Racial equity means that race does not predict one's social, health, and economic success. We seek to be more diligent and intentional about creating conditions to reduce historical inequities, while also improving outcomes for everyone." Schools are the foundation of equity, opportunity, and social mobility, and so when the quality of those schools is low and fails to meet the constitutional requirements of "adequacy" and "thorough and efficient" education, it virtually guarantees ongoing, pervasive equality and poverty.

The Philadelphia School District (2022) states that it wants to use the budget to address equity issues, and it lays out its racial "equity focused budgeting" policies: "The District is

deeply committed to anti-racism and has created the SDP Equity Framework to support clear systemwide race and equity actions with measurable results. ‘Equity’ at SDP means cultivating prosperity and liberation for students and staff, starting with historically marginalized populations, by removing barriers, increasing access and inclusion, building trusting relationships, and creating a shared culture of social responsibility and organizational accountability. Commitment #4 of the SDP Equity Framework... commits to redistributing resources to our most marginalized students in order to eliminate the predictability of success or failure based on historical trends.” This commitment, unfortunately, has not done much to reverse the reality of education for most poor minority children in Philadelphia.

As a result of decades of education budget shortfalls, there is also a severe crisis in the condition of Philadelphia’s school buildings, which exacerbates other problems with providing adequate education. After years of neglect and underfunding for repairs and renovation, a large percentage of the buildings are crumbling and toxic, and they are having profoundly negative impacts on teaching and learning. Several reports by school officials have documented this deterioration. One of the most alarming toxins in the school buildings is asbestos, but there are also problems with electrical and plumbing systems, as well as roof leaks, black mold, inadequate heating and cooling systems, infestations of rodents and insects, as well as serious problems with the structural integrity of many school buildings (Fiedler et al 2023). There is great cause for alarm and need for action to be taken to improve the condition of deteriorating schools in Philadelphia, as well as throughout the state. As Fiedler et al (2023) show, the situation is truly dire, both in Philadelphia and in many other parts of Pennsylvania: “There are schools across the state with untenable levels of heat and cold, with poor or no ventilation, outdated windows, broken boilers and worse. There’s the ceiling collapse at a south Philadelphia

high school; major HVAC problems and malfunctioning lighting in the William Penn School District; and 75 kindergartners in the Panther Valley School District who all shared one toilet. In addition to the structural issues, students in Lancaster and across the Commonwealth learn alongside rodents, roaches, asbestos, rust and mold: toxins that pose a risk to human health, especially the very youngest. A Philadelphia first-grader was so determined to keep his desk clean, he swallowed paint chips that fell from the ceiling. Only after he was hospitalized for severe lead poisoning was Room 202 fixed” (Fiedler et al, 2023). The Office of the Controller of the City of Philadelphia (2023) reports that there are 2,434 asbestos abatement projects in Philadelphia School District, based on documented projects since 2016.

These problems are all so pressing that the efforts to create positive additions such as providing enough computers and setting up good libraries get pushed back. Schools are often the “flagship” buildings of many neighborhoods, the largest, most well-known structures, and therefore deterioration of a school building tends to have negative effects on the neighborhood as a whole. A rundown, ill-maintained school is certain to lower property values while also creating depressing and unhealthy conditions in which to learn and teach. Conversely, when school buildings and associated facilities are well-maintained, they raise the overall standards of the neighborhood and attract more families, students, and teachers. These conditions would be unthinkable in predominantly white schools in Philadelphia, but especially those in the affluent suburbs of the city. Yet they are allowed to persist because lawmakers have created the conflict-theory-based perception that there can be no alternatives; that school funding is and always will be a zero-sum game and that wealthy white students will lose funding if poor Black and Hispanic students simply get brought up to adequate funding levels.

An Untapped PA Education Funding Source: A Fracking Extraction Tax

How can the overarching problem of constitutionally inadequate education coupled with the specific high-cost problem of deteriorating school buildings and overall school infrastructure in Philadelphia and other low-income PA school districts (both urban and rural), best be addressed through changes in prioritization, budgeting, tax laws, and funding? In addition to passing HB 2370, one of the best ways would be through relatively simple changes to Pennsylvania's tax laws on fossil fuel extractions, primarily natural gas. This is not only possible but feasible, and would create a new revenue stream for school funding could bring true educational equality to Pennsylvania's low-income students for the first time.

Since 2017, State Senator Vincent Hughes, Democratic Appropriations Chair, has been calling attention to the severity of the school funding problem, the urgent need to address it, and has come up with a proposed solution that could actually make a significant difference because it would raise sufficient funds. When he toured one Philadelphia school, Cassidy Elementary, he noted that "Images from the school last year show broken and missing ceiling tiles throughout the hallways, leaking, exposed pipes, buckets in the middle of the hallway to collect the falling water and debris, and rotting wood floors in the cafeteria" (Office of PA State Senator Vincent Hughes, 2017). Hughes detailed the financial side of the problem and its root causes: "A recent national study found that Pennsylvania had a \$419 million gap in annual maintenance and operations funding for its school buildings. That leaves low-wealth school districts at a disadvantage and forces these districts to prioritize emergency repairs from limited operating budgets that fund teacher salaries and pay for instructional equipment. Those same struggling communities also have a more difficult time borrowing to invest in the long-term stability of school facilities, meaning the status quo essentially rigs the system against low-wealth school

districts.” Senator Hughes has come up with a novel legislative solution, the “Public School Building Renovation and Rehabilitation Program,” to allow K-12 public schools throughout Pennsylvania to deal with this severe infrastructure crisis (Office of PA State Senator Vincent Hughes, 2017). The program would use an extraction tax on the highly lucrative and lightly taxed Marcellus Shale natural gas fracking industry to pay for the renovations and repairs of the School District of Philadelphia’s deteriorating buildings as well as those across Pennsylvania: “My legislation, Senate Bill 777, would give the Commonwealth Financing Authority (CFA) the authority to issue up to \$5 billion in bonds paid for by revenue from an extraction tax on Marcellus Shale drilling. The bond proceeds would provide grants over several years to school districts to repair or renovate existing school buildings” (Office of PA State Senator Vincent Hughes, 2017). This is an especially attractive general policy and specific revenue generation proposal because for years the fracking industry in Pennsylvania has been taxed at a much lower rate than fracking in other states, and the industry has caused very significant environmental damage throughout the state from the dumping of its toxic waste water as well as by the leaking of methane from its active and inactive wells, of which there are tens of thousands across the state.

In addition, fracking companies operating in PA are often owned by large fossil fuel corporate conglomerates based outside the state, and thus the majority of corporate profits leave the state. Another reason why they should be taxed at a higher rate is that the fracking companies often leave the state after the wells begin to become less productive and profitable, not only leaving behind massive amounts of toxins in the environment but also eliminating large numbers of jobs. It is a prime example of an unsustainable industry that has, nonetheless, gotten massive tax breaks over the years while making enormous profits that it does not put back into the state in

which it makes them. Therefore, it is completely justified that these enormously wealthy corporations pay their fair share into a state budget that has neglected funding of school buildings and infrastructure for so long. Perhaps the most astonishing fact about the current situation is that of the 38 states that have oil and natural gas fracking, Pennsylvania is the only one that does not have an extraction tax (Hampton and Rabe, 2017). As Hampton and Rabe (2017) of the Brookings Institution explain, “One would be hard-pressed to find a better poster child for the hydraulic fracturing industry than Pennsylvania. Billboards promoting natural gas litter the state’s highways. A Matt Damon film dubbed the state the *Promised Land*. As natural gas production has soared, the Keystone State has become an increasingly prominent energy exporter. But the poster child of fracking has a dirty secret. It lags behind other major oil and gas producing states in tax policy. While most energy-producing states—as many as 38—tax resource extraction, Pennsylvania does not. All others, from Alaska to North Carolina, levy so-called ‘severance’ taxes on oil, gas, or coal extraction. Revenues from such taxes allow these states to either address budget shortfalls, minimize other taxes, or invest in their future once drilling declines. Yet again, the Pennsylvania legislature is exploring the possibility of severance tax adoption, with yet another looming budget deadline and looming deficit. Governor Tom Wolf continues to push for such a step but still faces a difficult fight in Harrisburg.” They add that extraction/severance taxes are so widespread and popular with state voters that “No state with a severance tax has ever seriously considered eliminating it since the Ulysses S. Grant presidency.” They cite the benefits to education funding in particular: “Pioneering tax development in the 19th-century, Texas continues to fund education from kindergarten through college.” Hampton and Rabe (2017) show the flawed logic behind the Pennsylvania Republican legislators’ and other state officials’ reasoning: “While it does employ a very modest ‘impact

fee,’ the Pennsylvania legislature routinely refuses to adopt a severance tax. Their fear: that industry will shift drilling elsewhere. But ‘elsewhere’ these days means an energy-producing state or nation that already imposes a severance tax.” Hampton and Rabe (2017) also show how significant the revenue loss is from this poor tax policy choice: “Pennsylvania’s failure to adopt this universally-applied tax has meant foregoing significant revenue. Indeed, some projections estimate that a Pennsylvanian severance tax would have generated around \$350 million for the state in the 2016/2017 fiscal year alone, potentially enough to alter the state’s troubled fiscal situation.” If this kind of funding had been available for educational infrastructure for the past 15 years during which the fracking industry has boomed in Pennsylvania, much of the deterioration of Pennsylvania’s school buildings and overall education system in low-income districts could have been prevented or repaired before it became severe. The state is also currently giving up the opportunity to not only fund education but also to build long-term economic stability for its residents: “Pennsylvania, on the other hand, continues to resist any severance tax, much less a trust fund. This is ironic given its prolonged boom-and-bust history with fossil fuels and sizable long-term restoration costs after extraction ends. In Harrisburg, governors and legislators continue to squabble over whether drilling would continue in the event of a tax. In Bismarck, Austin, Denver and numerous other capitals, leaders decide how best to invest the proceeds from a tax that retains bipartisan support” (Hampton and Rabe, 2017). Clearly, Pennsylvania as a state needs to follow Senator Hughes’ lead and establish an extraction/severance tax; it would not only make a very large difference in the quality of the states’ school infrastructure but also help address the more general problem of income inequality that leads to the severe generational poverty that plagues many neighborhoods in Philadelphia as well as many economically depressed rural areas. As Wesser (2023) notes, nothing has changed in the six years since the

Brookings analysis of Pennsylvania’s lack of an extraction (aka “severance”) tax; “Pennsylvania is the only state with natural gas drilling that does not impose a severance tax on this industry.... [But] the head of the State Budget and Policy Center thinks it is time that changes. Republicans have fought against taxing the natural gas industry, saying it would become a burden and could make them leave.” Wesser (2023) adds, “But, the head of the State Budget and Policy Center, along with Democrats, said a severance tax is the fairest and most balanced way to generate revenue. ‘We certainly do not want to put one of our industries in financial harm’s way. We expect them to pay their fair share just as anybody, whether you are a taxpayer or a business,’ Representative Eddie Day Pashinski (D-Luzerne) said. We will see if Governor Shapiro supports a severance tax when he delivers his first state budget address later in March.’” The fact that every other state with any form of fossil fuel industry has an extraction tax, including predominantly red states like Texas and Wyoming, and get massive revenue streams from it, is clear proof that Pennsylvania Republicans are wrong to oppose one. Billions in extra state tax revenues would go a long way toward solving the problem of unconstitutional educational inequity and inadequacy for PA children in low-income districts.

In a 2023 opinion essay in *The Pennsylvania Capital Star*, Pennsylvania Democratic State Representatives Elizabeth Fiedler and Tarik Khan, of Philadelphia, Bridget Kosierowski, of Lackawanna County, and Bob Merski of Erie wrote about the funding crisis of not just Philadelphia schools but many schools throughout the state. They noted that this is not only immoral but unconstitutional, reflecting the earlier judicial opinion.: “The recent Pennsylvania Commonwealth Court ruling shows that the state’s *underinvestment* in public schools is not only immoral– it violates the state constitution. This school funding decision validates the cries that have been rising for decades from parents, children and teens from Philadelphia to Scranton to

Erie” (Fiedler et al, 2023). Although the School District of Philadelphia has some of the biggest problems because it is such a large and underfunded district, the deterioration of school buildings is not by any means restricted to it: “But this is not just a local problem, or just an urban or rural problem, it is a true statewide crisis that will determine the future prosperity of our Commonwealth” (Fiedler, et al, 2023). Fiedler et al (2023) state that they “have several proposals to invest in school buildings through the development of a Redevelopment Assistance Capital Program for Schools, and through funding the PlanCon maintenance program. These are just some of the ideas of how our state can fulfill its overdue duty to invest in schools.” Clearly, there are legislative/policy solutions that could work. If the best policies could be combined, especially an extraction tax and the passing of HB 2370, there would not only be more funding distributed to schools that need it most but also a tested corporate tax strategy to pay for it.

As of October of 2025, there is still no fracking extraction/severance tax, and this is because of the continued domination of the state legislature by Republicans, who staunchly oppose it. As Raimi (2024) notes, in other states, “these taxes account for large shares of local budgets and are the leading funder of schools, roads, public safety, and other essential services. In Pennsylvania, by contrast, the state levies an ‘impact fee’ on each well, which then is disbursed to counties and municipalities, with no funds flowing to schools.” Leaving massive amounts of money on the table for the PA fracking industry to simply walk away with while tens of thousands of children from low-income families across the state are being deprived of an adequate education is simply unconscionable.

The Charter School Question

Another factor in the budget crisis is that charter schools have been growing in numbers greatly since they were first introduced and have taken up an increasingly large proportion of the Philadelphia School District budget and in many other school districts across the state. This is also a major point of conflict in the current PA Senate debate over HB 2370. There is a great deal of evidence across several years indicating that charter schools are not only not the answer to the problem but are, in fact, exacerbating it. Gill et al (2007) found that charter schools did not outperform regular district schools in Philadelphia: “Despite additional per-pupil resources, privately operated schools did not produce average increases in student achievement that were any larger than those seen in the rest of the district. Meanwhile, district-managed restructured schools outpaced the gains of the rest of the district in math.” Despite the lack of success of charter schools and their higher costs, they continue to be an increasingly large percentage of school budgets in Pennsylvania and in Philadelphia in particular. The Keystone Center for Charter Change at PSBA, Pennsylvania School Boards Association (2023) reports that “The cost of charter schools for school districts continues to grow. Since 2007-08, charter school tuition costs have grown by more than \$1.9 billion, or 327.6%, while charter school enrollments have only increased 151.6%. As a result, charter school costs are now the most commonly identified source of budget pressure for Pennsylvania school districts. In the 2022 State of Education report, 78% of school districts identified mandatory charter school tuition payments as one of their biggest sources of budget pressure. This was 33% higher than the next highest rated budget pressure” (Keystone Center for Charter Change, 2023). The School District of Philadelphia has followed these trends, and pays 30.7% of its budget for charter school tuition (Keystone Center for Charter Change, 2023).

In the context of the charter school movement, Good and Nelson (2021) studied “neighborhood-based ‘friends’ groups that have incorporated as independent 501(c)(3)s to support individual schools” as an indicator of “what characterizes schools and neighborhoods where school constituencies have incorporated as 501(c)(3) organizations.” They consider “how school-specific 501(c)(3)s raise money, and what priorities guide their investment objectives,” finding that “these organizations must be understood in the context of gentrifying neighborhoods and that they reflect the manifestation of inequalities in local capacity.” The gentrification problems arise even when the schools are good, whether charter schools or regular District schools. For example, Penn Alexander is one of the best elementary schools in the city, but its existence is due to the gentrification of the neighborhoods near the campus of the University of Pennsylvania, and the result is that property values in the area have become so much higher that the school is increasingly getting families with high incomes sending their children there, and low-income families find it increasingly difficult to stay in the neighborhood.

McWilliams (2019) finds pervasive problems caused by charter schools: “With the expansion of charter school networks, population losses in urban district schools and stretched budgets have encouraged struggling districts to adopt closure-as-reform. School closings have received considerable attention in the media as a controversial reform, reconfiguring the educational landscapes of over 70 post-industrial cities like Chicago, Detroit, and New Orleans. However, in the last decade, few scholars have considered the project of examining closures—their process and their effects—empirically.” Steinberg (2016) found that school funding reform often faces conflicts between the state and local levels resulting in reduced revenues for schools: “We examine how local school districts respond to statewide education finance reform. Specifically, we evaluate the impact of Pennsylvania's Act 61, which provided additional state

aid to districts spending below state-determined adequacy targets (spending shortfall districts), on district tax effort in support of education. We find that high-tax shortfall districts reduced their property tax rates significantly more than districts without spending shortfalls and, as a consequence, did not increase education spending compared with their no-shortfall counterparts. Our results suggest that state equalization aid for high-taxing districts with spending shortfalls was used for property tax relief rather than for supplementing education spending.” The idea of lowering property taxes took priority over educational spending even in high-income, high-tax communities shows some of the deep-seated political opposition at play in the big picture of the PA school budget crisis.

Possible Solutions in Addition to HB 2370 and an Extraction Tax

Allegretto et al (2022) present some possible solutions; they cite “evidence documenting the positive impacts of increasing investment in education to make a case for overhauling the school finance system” Allegretto et al (2022) also suggest “reforms that would ensure a larger role for the federal government to establish a robust, stable, and consistent school funding plan that channels sufficient additional resources to less affluent students in good times and bad. Furthermore, spending on public education should be retooled as an economic stabilizer, with increases automatically kicking in during recessions. Such a program would greatly mitigate cuts to public education as budgets are depleted, and also spur aggregate demand to give the economy a needed boost.” Currently, the total amount of the US government’s budget that goes to all educational funding for all levels combined (K-12, college, and graduate/professional) is about 6% (National Priorities Project, 2023). This is actually a very small amount compared to other developed nations.

Brookings (2021) recommends “the transformation of U.S. schools into community schools—centering initial efforts on the 4 percent of school districts that educate approximately 40 percent of the country’s children, include urban and rural communities across the nation, and have the greatest concentration of unmet student needs (see Figure 1). Community schools integrate, rather than silo, the services that children and families need, thus ensuring that funding for health, mental health, expanded learning time, and social services is well spent and effective.” Brookings (2021) observes that “a community school is both a place and a set of partnerships between the school and other community resources. Its integrated focus on academics, health and social services, youth and community development, and community engagement leads to improved student learning, stronger families, and healthier communities. In community schools, every family and community member is a partner in the effort to build on students’ strengths, engage them as learners, and enable them to reach their full potential.”

Chang (2018) suggests student-based budgeting as a way to address budget shortfalls and unmet student needs: “Nonetheless, it captures the core distinctions between the two approaches. In a traditional budget, each school receives a set allocation of staff and resources, which may not take into account the unique needs of each school’s population, and may not adequately fund schools that serve a high-need population. School leaders often have little flexibility to adapt their predetermined allocations to fit their school. Under an SBB system, the district determines an SBB formula that typically includes a base weight (a dollar-per-pupil amount that all students receive), as well as student need weights (which provide additional funding to students with additional needs). In Traditional School Budgeting..., the central office decides how much funding schools get and how it is spent. The SBB formula determines how much funding each school gets based on its enrollment and student need... and school leaders decide how to spend

those dollars to best meet student needs.” Watlington and Herbstman (2023), the Superintendent and Chief Financial Officer of the Philadelphia School District, respectively, presented a series of objectives for reform in the 2024 budget: “The Fiscal Year 2024 Budget will focus on three priority areas: 1. Strengthening School Safety, Invest in physical, social/ emotional, and environmental safety at schools. Invest in additional staff resources in high-needs schools. 2. Partnering with Parents and Community, Invest in family and staff resources to increase attendance and reduce dropouts, Invest in a two-way communication system and customer service training. 3. Accelerating Academic Achievement, Invest in research-based, standards aligned core curricula and high impact tutoring, Invest in increased and equitable CTE and Dual Enrollment opportunities.” This is a tall order, and easier said (or written) than done, but it is at least setting the bar higher. McWilliams (2019) suggests that constituents make a request to “state and federal policymakers to consider the long-term ramifications of school choice expansion and state disinvestment for the health and stability of traditional public schools.... and encourage policymakers to move in a more reparative direction, prioritizing the needs of those ‘unchosen’ by choice and imagining a system that might serve all students more equitably.” Some of these ideas about changing funding formulas have been incorporated into HB 2370, but, as a whole, Republican opposition to those measures continues, as does Republican opposition to HB2370 as a whole.

The digital divide also plays a significant role in educational inequality in Pennsylvania. As Popiel and Pickard (2022) note, one of the factors contributing to the low achievement in Philadelphia’s schools in high-poverty areas is the digital divide, which is the result of socio-economic and racial factors: “The census and MLab data show that the city’s digital divide fell along economic, educational, and racial lines. The city’s persistent racial inequality also

structured Internet access: only 50% of Black households had a broadband subscription versus 74% White households going into the pandemic. These patterns evidence deep disparities in Philadelphia's Internet access, even before the pandemic." Part of the budget of both the city and the school district must include subsidizing internet access for the poorest Philadelphia families, especially those with children in Philadelphia schools. It is not enough to have internet access at school; most elementary, middle, and high school students also need good internet connectivity at home as well in order to complete assignments, many of which are online or require online research of some type.

In addition, taxation laws are also incredibly favorable to corporations. Philadelphia is home to the largest media company in the world, Comcast NBCUniversal. In light of the fact that Comcast NBCUniversal made \$44.95 billion in profits in 2022 alone (MacroTrends, 2023), it would not be burdensome for the company to make pay a slightly higher state tax percentage in order to help the children of the School District of Philadelphia and other low-income school districts across the state. This is especially justified now, given that Comcast/NBC/Universal recently got a \$1 billion tax cut from Trump's One Big Beautiful Bill Act, as reported by Ryan Mulligan (2025): "Comcast Corp. estimates it will save \$1 billion annually in cash taxes thanks to recently passed changes in President Donald Trump's One Big Beautiful Bill...." In addition, Comcast should consider giving Philadelphia's poorest students access to high-speed internet connectivity as well as the basic hardware necessary such as tablets or laptops would not only solve practical problems for them and their families but also give them a sense of being part of the local and global information economy. Bringing more political awareness of the massive income inequality in the city and state, which is epitomized by the wealth of a mega-corporation such as Comcast, must be part of the solution.

Analysis

As the research consistently indicates, for decades, Pennsylvania's poorest K-12 public schools have had extremely insufficient budgets. There are various reasons why there have been these severe shortfalls and periodic crises, most of them rooted in long-term socio-economic factors and policies regarding how school districts in Pennsylvania are funded. First, the levels of funding from the state of Pennsylvania are low and therefore place a much larger portion of the funding burden on local property taxes. Second, the effects of decades of racial discrimination against Blacks, Hispanics, and other minorities, which took the form of redlining and other discriminatory financial practices, have weakened the local economies in many urban areas in PA and produced generational poverty, which is perpetuated and deepened by the continued, deliberate underfunding. Furthermore, the school buildings themselves are often old and in poor condition, with a backlog of necessary health and safety repairs of about \$5 billion. All of this creates a vicious cycle, in which neighborhoods deteriorate, crime rises, and schools continue to struggle for funding even more as the families with the financial means to leave generally do leave. As a result, this chronic underfunding has created employment conditions that led some of the best-qualified teachers to leave and that discouraged well-qualified candidates from applying to jobs in PA's poorest school districts, whether urban or rural, because of low pay, poor working conditions, and job insecurity.

The partisan nature of resistance to creating real legislative solutions to the educational crisis in Pennsylvania is evident. As Peter Hall (2024) reports on the PA Republican reaction to HB 2370: "Senate Republicans rejected the proposal, pushing for a balanced budget that wouldn't dip into the commonwealth's roughly \$3 billion surplus or \$7 billion rainy day funds.

They also rejected a spending plan that passed the House in July that would have cut nearly \$1 billion from Shapiro's proposal." Despite there already being enough funds available, and despite the fact that billions more in revenue could be generated from a fracking extraction/severance tax, as well as higher state corporate taxes in general, especially on Philadelphia-based mega-corporations like Comcast-NBCUniversal, who are getting massive federal tax cuts through the One Big Beautiful Bill Act, the vast majority of PA's Republican legislators are simply refusing to seriously consider these very viable solutions.

There are solutions that could help to not only reduce budget deficits but also move funding up to levels at which there would be the chance for genuinely significant improvements in educational outcomes. First, there must be a clear recognition that the current funding levels from the state, as well as federal and local, levels cannot come close to providing truly adequate funding for low-income PA school districts with deep, generational poverty, high crime, and deteriorating school buildings and substandard educational technology. The Jubelirer decision was a crucial step in recognizing the problem, but there is a great difference between a PA judge recognizing the problem (and ordering change) and PA Republican legislators being willing to take effective action to solve it. The political causes of the problem must be recognized as well, especially the party politics at the state, federal, and local levels which has driven the policies that virtually guarantee inadequate funding.

The policy change that could make perhaps the largest single positive impact for overcoming the conflict theory fallacy about Philadelphia school funding. The enormous amount of revenue that could be generated from imposing a simple extraction tax on natural gas fracking companies, (as is done in every other state with fracking including Texas) is another excellent way to prove that there is no zero-sum game and that we can, in fact, produce substantially

higher amounts of revenues for schools for poor Black and Hispanic children without taking away any funding from schools for white children in wealthy or middle class neighborhoods. In addition to imposing a fracking tax on fossil fuel companies operating in Pennsylvania, increases in the state tax rate on major corporations should be considered. This is justified and feasible, especially in light of the fact that recent federal corporate tax cuts from the One Big Beautiful Bill Act that was recently pushed through the US Congress by the Republican majority are so large that an increase of state taxes specifically earmarked for education would have minimal impact on the corporations themselves but help students and teachers enormously. Comcast NBCUniversal's \$1 billion federal tax cut for one year alone is just one example of why it is more than reasonable to ask major Pennsylvania corporations to step up and do their part to solve the problem of unconstitutionally unequal education in the state in which they are doing business.

Another policy change that could help solve the education budget problem is to stop the creation of new charter schools and return as many charter schools as possible to being standard public schools. Research has repeatedly shown that charter schools are more expensive and get poorer academic results, yet there is still a strong political drive by some factions among the Republicans who see it as means of basically dismantling a Democratic stronghold, especially in large cities such as Philadelphia and Pittsburgh. Clearly, a student-based budgeting system would be preferable, but this will only work if there is a deep exploration of the real costs per student that are necessary to provide equitable allocation of resources based on the total socio-economic conditions of the students, the individual schools, the neighborhoods, and the local economies they are part of and on which they depend. This should include not only things such as local property values and the revenues from property taxes but also income inequality as a whole and

parental education levels. Creating truly equal educational opportunities for children in Pennsylvania means using the budget to level the playing field as much as possible. If we do not do this, the wealthy suburban neighborhoods will continue to be the only places where most children have a realistic chance of getting a good education in Pennsylvania. The 2025-2026 budget has at least begun the process of charter funding reform and will save \$175 million in charter expenses, but Pennsylvania needs a comprehensive legislative solution, and HB 2370 is the best version of that to date.

One of the most important factors in addressing the unconstitutional educational inequality experienced by students and families in low-income districts in PA is the tendency of many Republican state legislators and their constituents to see the state school budget as a “zero-sum game,” one in which increases in low-income district budgets will mean decreases in all other districts. As demonstrated above, there are proven ways to increase revenues, the proposed extraction tax being the most effective, so that all schools will be able to afford high-quality education for all students. Before an extraction tax and HB 2370 can be passed and other educational budget reforms enacted, work needs to be done on closing the cultural competency gap. If Republican state legislators (and their constituents) could be led to understand the severity and complexity of the educational budgeting problems harming students from low-income families, they might develop the empathy to see how unjust the current situation truly is.

These Republican legislators also need to realize how outdated the Tiebout Model is for understanding the situation that most low-income families experience today; i.e., it is virtually impossible for most low-income families to move to high-income school districts, especially given the recent years of rapidly rising housing costs, both for purchase or renting of a domicile. As Weiner (1978) and Travers (2004) have shown, the problems with the School District of

Philadelphia budget and the budgets of other low-income districts, urban and rural, have been very serious for a very long time, and this reflects the deeply rooted socio-economic problems that have plagued the city for decades, especially in its poorest neighborhoods. As income inequality has increased in recent years, many of these neighborhoods have deteriorated further. As several researchers have shown, including Travers (2004), Gold et al (2007), and Caskey and Kuperberg (2014), among others, low state funding of school districts compared to other comparable states has made Pennsylvania school districts much more dependent on property taxes to fund their schools, and as a result, poverty-stricken areas in both cities and rural towns often have massive budget shortfalls. This, combined with school subsidy laws passed by the Republican-dominated state legislature of Pennsylvania have made it virtually impossible for low-income districts to have anywhere near adequate funding. In fact, these laws were most likely created specifically to cause such a crisis in the School District of Philadelphia that it would warrant a state takeover of the SDP and allow a much higher proportion of charter schools, which again take away power from the School District of Philadelphia because state money goes to the charter schools but cannot be used to improve SDP schools.

Furthermore, as research has shown, charter schools are not, as a whole, achieving better academic results (in fact, they tend to have lower achievement levels), nor are they saving money. Therefore, both of the major claims of the proponents of charter schools have been proven false. In addition, as Steinberg (2016) demonstrates, lowering property taxes took priority over educational spending even in high-income, high-tax communities proves the deep-seated political opposition. This lack of adequate state and local funding is compounded by the low level of federal funding for education in general, as Allegretto (2022) shows. Taken as a whole, local, state, and federal laws and regulations controlling the revenue sources and funding levels

of schools have created a scenario in which it is essentially impossible for a large number of schools in many low-income areas to uphold the requirements of the Pennsylvania state constitution and provide adequate, thorough and efficient education.

In addition, while poverty is the main problem in most areas, gentrification is another major factor that must be addressed in some neighborhoods, especially in larger cities. As discussed, certain districts with an influx of high-income individuals, such as those in the Penn Alexander School area, create an increase in property values that ends up driving out the low-income people who have lived in those parts of Philadelphia for years but can no longer afford to stay, most often due to rising rents, which are the single biggest expense for most low-income families.

In surveying the above studies, it is clear that many school districts are severely underfunded and have been for decades. This is a deeply rooted problem with several factors. Perhaps the greatest single factor is the generational poverty caused by substandard educational opportunities, and this, in turn, has been caused by decades, if not centuries of systemic racism that has kept Blacks and other minorities from having access to high-quality education and good jobs. But this is not limited to racial minorities in Pennsylvania; as the list of plaintiffs in *William Penn School District, et al., v. Pennsylvania Board of Education* (2023) indicates, poverty and the concomitant low-quality of education, are problems that affect massive numbers of white families across the state. The result, whether in large cities or rural small towns, is neighborhoods with low property values, low school-tax bases, high crime rates, high substance abuse rates, and low graduation rates. Compounding this set of problems, families that make educational and financial progress often leave these neighborhoods, and the “brain drain” makes

it even more likely that local economies and schools will not only fail to improve but could well get worse.

Another major problem with the budget is that the various stakeholders have very different views of the adequacy of funding and the way it is being distributed, and these differences are, unfortunately, often based on various motives having to do with both party politics and the internal politics of the School District of Philadelphia. As Falk (2022) showed, the \$3.9 billion budget for 2023 was seen by the principals' union as "a 'massacre'" but "district officials insist will put more resources into many classrooms." For example, the Chief Financial Officer of the district, Uri Monson, pointed out, on the other hand, that there were "a record number of supports for students" and that "The proposed budget is an increase of \$170 million in district-operated schools, despite continued enrollment loss over the current year," while "some school principals and administrators say the new budget will lead to staffing cuts at their schools, at a crucial time when students are trying to regain ground lost during the pandemic" (Falk, 2022). This increase of \$170 million, although it might sound like a large number, was really only about a 4% increase, which did not even keep up with inflation for 2022, which was over 6%. Therefore, what might at first look like a truly significant budget increase is actually a net loss of about 2% of total funding due to inflation. It is clear why the principals in low-income districts are continuing to say that their schools have been and still are underfunded, and it is also clear that the administrators, especially the Chief Financial Officer, Monson, have very different motives in their presentation and characterization of the School District of Philadelphia's budget. The external party politics at the national, state and local levels, and the internal politics of the School District of Philadelphia and other low-income districts across the state, combined with a general lack of knowledge on the part of parents and students and the general public about the

actual budget numbers, have resulted in a great deal of obfuscation, denial, and ignorance of the actual scale of Pennsylvania's school funding problems. The same basic situation is behind the funding problems of all low-income school districts, and often obscures the urgent need for major reform that Judge Jubelirer's decision in *William Penn School District, et al., v. Pennsylvania Board of Education* (2023).

As indicated, a major part of the problem is that there is a lack of awareness of how serious and pervasive the problem of inequity and inadequacy in PA K-12 education is. It is highly likely that if you were to ask a representative sample of Pennsylvanians across the state if they had even heard of HB 2370 or *William Penn School District, et al v. Pennsylvania Department of Education*, the positive responses would likely be in the single digits at best. Thus, part of the solution must involve a concerted effort by all politicians, activists, and constituents who support these proposals for genuine, positive, long-lasting change to publicize this issue, pushing it to the front of the stage of public discourse in Pennsylvania.

Ethical Implications

The current inequality in educational funding policy resulting in inadequate education for a large percentage of Pennsylvania's children is clearly not only unconstitutional but unethical for a variety of reasons. First, this is causing severe harm to the most vulnerable children, those who are already dealing with the damaging effects of poverty, often generational poverty. The children themselves bear no responsibility for the situation that they are in, but they are the ones who pay the price in terms of the immediate effects of being in underfunded schools that provide inadequate education. They are also the ones who (along with their teachers) often have to spend years inside buildings that place them in classrooms without sufficient heating or cooling or that

create environments that are harmful to children's health and safety, such as asbestos, lead paint, insect and rodent infestations, leaking roofs, etc.

This exacerbates overall income inequality and deepens class divides in Pennsylvania, creating a vicious cycle. The worse the schools are, the poorer those neighborhoods become, and the lower the property values go, further reducing the school-funding base from local property taxes. This perpetuates inequality, deepening the generational poverty cycle and increasing crime rates and addiction, all of which not only harm low-income families and their children but ultimately cost all of the citizens of Pennsylvania more money in the long run because of increasing needs for policing, incarceration, and emergency healthcare, in addition to various forms of public assistance from welfare to food stamps. A poorly educated child not only suffers intellectually and emotionally but is also much more likely to become an unemployed or underemployed adult and has a much higher chance of falling into a life of crime and ending up in prison. By deliberately continuing to underfund many of our K-12 public schools, the Pennsylvania legislators who are blocking significant school funding reform are virtually guaranteeing that generational poverty and all of the societal ills that grow from it will not only persist but almost certainly worsen.

This blocking of funding reform, especially the refusal to pass HB 2370, is all the more unethical because the financial situation would permit it to be solved without any undue burdens or significant harms to any other groups of citizens or to any Pennsylvania corporations. Pennsylvania currently has a multi-billion dollar budget surplus, and the state is also not imposing an extraction tax on fracking, a tax that in states such as Texas and Oklahoma with a great deal of fracking provides very large amounts of additional funding for education.

In addition, a time when education funding as a whole is under assault on the federal level, with the dismantling of the US Department of Education and the passing of the One Big Beautiful Bill Act in 2025, which gave massive tax cuts to the wealthy while cutting funding to education, including programs for the poorest children, it is all the more important for Pennsylvania citizens and legislators to stand up for the children in their state who are most vulnerable and likely to be harmed educationally, financially, and psychologically even more than before.

Finally, having a large segment of our state population entering voting age without adequate education makes it highly likely that they will not possess the knowledge or skills to make informed decisions about complex issues such as healthcare, the economy, and, yes, education policies when they head to the polls to select future representatives, senators, and governors. This is all the more apparent in light of the 2024 presidential election campaign in Pennsylvania, which was dominated by Elon Musk's massive expenditures and constant campaigning in person, often handing out large checks to voters to buy their votes for Donald Trump.

The ethical shortcomings of PA legislators who are allowing these conditions of inequity and inadequacy in education to persist must also be scrutinized and publicized. If the people of Pennsylvania truly knew that there is enough funding to go forward with HB 2370 now, and that untapped corporate taxation revenues streams could continue to fund real reform, they would be justifiably angry with those who are claiming that HB 2370 is financially unfeasible, and, at least in theory, would eventually vote those legislators out of office. Leaving tens of thousands of Pennsylvania children crippled for life by unconstitutionally inadequate education from early

childhood through adulthood in order to continue to give tax cuts to billionaires is an ethical failing that must be brought to the public's attention.

Policy Recommendations

There are two major policy recommendations that are clearly supported by the data: passing HB 2370 and enacting an extraction tax while also instituting an increase in overall corporate tax rates. The Pennsylvania Senate should pass HB 2370 with minimal modifications and do so as quickly as possible. The state funds are currently available and spending them on education will not create significant burdens on the citizens of Pennsylvania as a whole. In fact, in the long run, there will almost certainly be a return on investment in terms of higher employment rates and higher state income tax revenues, along with reduced state and local expenses on crime, incarceration, state-subsidized healthcare and other forms of public assistance.

Likewise, reconsidering the high number of charter schools would be another promising area for improving educational outcomes in the state as a whole. The current expenditures on charter schools are very high, and the academic results these schools are delivering do not justify the cost. Although it will take time, reversing the “charter mentality” is imperative. We need to fix the existing school system, not take schools away from it and allow them to be even more poorly run while taking away funds from district schools. Teacher recruitment is another area in which budgeting should be increased; attracting and retaining well-qualified teachers requires more money in salaries and performance-based incentives, but it is more likely than almost any other measure to give a high return on investment in the long run.

On a broader scale, officials at the state level need to be pushed to increase subsidies for the wide range of problems that are related to education, from violence and drug use reduction to building maintenance and educational technology, all of which require additional funding if they are going to be effective. Simply comparing costs per student across the state and trying to make them roughly similar is not fair and will not work because the economic conditions are so different, as experience and several studies have shown. The student-based budgeting approach is one way in which a fairer, more realistic assessment of actual needs and costs could be calculated so that all students in the system are given truly equal opportunities to receive education that will allow them to thrive both intellectually and economically.

Another key problem that any real attempt to close the educational gap between low-income and high-income districts will need to address is the home life of students in the community. Placing all efforts and fundings solely on programs during the school hours ignores that many people living in poverty-stricken situations do not have a stable home life and need assistance with after-school care and guidance on how to help their children not only attend school but become good students. Students living in dangerous environments, not having programs or family that can offer support, whether academic or emotional, all erode the work being done at school. These issues are much harder to address than just increasing the school budget but in some ways just as important. Collective efforts have to be made on how best to address home life and what methods can be used to evaluate progress. Any attempt to address this issue must also take into account the ethical implications and potential harm that could occur from trying to influence a student's home situation. Therefore, the communities that children come from have to have a role in the education and oversight of the education, not just a bureaucrat in Harrisburg making technocratic decisions.

As mentioned, one of the key policy recommendations is that Pennsylvania should, like virtually all other fossil fuel fracking states, impose an extraction tax on all fracking, the proceeds of which would go directly to education funding. The fossil fuel companies in PA have made enormous profits and have not paid their fair share of taxes. Furthermore, they would not be harmed in any significant way if they had to pay taxes equivalent to companies in other states, companies that have remained very profitable while paying extraction taxes.

Fortunately, when there are improvements in the quality of education, it becomes easier to lower poverty and the spectrum of other problems that come with it, from drug abuse, to crime, and low property values. In short, if the schools improve the neighborhoods will improve, and if the neighborhoods improve, the schools will improve. The current vicious cycle can be turned into a virtuous cycle, but it will require a multi-level increase in funding, more effective budgeting, and an increased commitment from all stakeholders, from legislators, state leaders, administrators of public schools in Pennsylvania, principals, teachers, students, and their families to establish and maintain trends of improvement.

Summary

Education is one of the largest and most vitally important investments into our future that we make as a society, and how we go about it plays a major role in shaping what our society becomes, whether in Pennsylvania or the nation. A large portion of public school funding in Pennsylvania is produced at the local level through property taxes, and this inevitably creates an extremely stratified public education system that leaves low-income school districts with an untenable funding situation that makes it impossible for them to provide constitutionally “adequate, thorough and efficient” education. This property-tax-based system of school funding

was set up in Pennsylvania and many other states starting in the early 20th century, with the calculated intention of preserving racial and ethnic segregation, as well as general income inequality regardless of race or ethnicity. By the mid 20th century, local property-tax-based school funding was a deeply entrenched political, economic, and sociological phenomenon, but one that was largely unquestioned by most people in Pennsylvania, as well as most people in other states, simply because political leaders, who were, for the most part, wealthy white men, wanted to preserve their wealth, privilege, and power.

The theories behind the emergence of this local property-tax-based school funding system and consequent inequality are conflict theory, cultural competency theory, the Tiebout Model, and Wave Theory. Conflict theory basically says that in a case such as this, those in power see the opposition as part of a “zero sum game” in which giving benefits to the other side means losing benefits for themselves. This, of course, is an attitude that still persists among many Republican legislators in PA, despite our budget surplus and large, untapped corporate taxation revenue streams. The second theory, cultural competency, allows us to see this school funding problem as the result of many wealthy white legislators in Pennsylvania simply lacking the necessary cultural competence, the knowledge, understanding, and insight into communities in the state that are unlike their own, and thus they are incapable of understanding their problems, much less empathizing and wanting to actually help solve their problems. The third theoretical framework, the Tiebout Model, is an outgrowth of the capitalist, free-market attitudes of 1950s America, one in which local funding disparities are not seen as a problem because, at least according to the model, people, “consumer voters,” can simply choose to move to school districts that have higher property values and tax revenues for their local schools. This, of course, makes the deeply flawed assumption that most people who want high-quality K-12 education for

the children in Pennsylvania actually have the financial ability to move to districts with high property values and high school taxes.

The equity and adequacy “waves” of Wave Theory present the most accurate and practical models for approaching this problem because they are rooted in the real world. These concepts formed the basis for the major arguments in *William Penn School District, et al, v. Pennsylvania Board of Education*, and, quite tellingly, they convinced a Republican judge. In her decision, Judge Jubelirer, showed that it is possible to overcome partisan politics and help the most underprivileged children in Pennsylvania if judges, legislators, and other decision-makers put logic, facts, objectivity, state constitutional principles, and genuine human values first. HB 2370 can solve these education funding problems, especially if a spirit of bipartisanship can be cultivated, even though that will be difficult.

The current school funding legislation and overall policies in effect in Pennsylvania for both raising funds and distributing them are patently unfair, a fact that became even more obvious after the Jubelirer decision and the approval of HB 2370 by the PA House of Representatives. The ongoing delay in the Republican-majority PA Senate committee on education has now been running since June of 2024, and it shows no signs of ending, despite the fact the majority of representatives voted for it, including some Republican representatives. This majority in the PA House indicates strongly that the majority of Pennsylvania citizens would want the educational funding reform that HB 2370 would bring, even if they do not fully understand the details of the legislation. The majority of PA representatives (and probably PA citizens) know that the current policy of having the majority of state school funding raised by local property taxes going to local schools is not creating equality of educational opportunity and outcome and that PA is or is not achieving equal opportunities and outcomes in K-12 education.

In addition, the state revenue that is already earmarked for education is not being efficiently and equitably distributed. Therefore PA House Bill 2370 would largely solve the problem if the PA Senate passed it in the same basic form that they received it from the PA House. Now Pennsylvania citizens need to spur the consciences of those legislators who are resisting this plan or at least induce fear of loss of office in them. As the recently passed 2025-2026 Pennsylvania state budget shows, there is enough political will, among both the majority of legislators and the people of Pennsylvania, to push through at least one year of significant increases in education funding. But this is not enough; the Commonwealth of Pennsylvania needs a permanent legislative solution to this problem.

This will entail not only passing HB 2370 but also passing an extraction tax law that will generate revenues earmarked for education funding. Opponents of these education funding policy measures routinely insist that they are not economically feasible and that they will bankrupt the state; however, given that the 2025-2026 state budget was passed with bipartisan support and will significantly increase educational spending following many HB 2370 guidelines while also cutting waste and maintaining a balanced budget, the financial objections to HB 2370 are far from convincing. As for the resistance to a fracking extraction tax, if the people of Pennsylvania knew the facts about extraction taxes, i.e., that every state with significant fracking activity has such a tax, including Republican majority states such as Texas and Oklahoma, and that their education systems all gain large revenue streams from them, they would most likely demand that their legislators enact one. In addition, the massive corporate tax cuts from the One Big Beautiful Bill Act, which are giving billions of dollars to large PA corporations, also justify an increase in Pennsylvania state corporate tax rates, with those revenues to be used primarily for education.

In attempting to convince enough Republican legislators to change their votes on all of these matters, increasing public awareness of the objective reality about the need for school funding reform and the very feasible means of achieving it will be crucial. If more of the voters of Pennsylvania, both Republican and Democrat, can be shown that education funding reform is desperately needed and that there is an education funding reform bill and a tax revenue plan that could make these reforms reality, it is highly likely that there would be sufficient political pressure on the Pennsylvania Senate to put these policies into action. The unconstitutional inequality in the education of Pennsylvania's children is a problem that must be solved, and it can be solved if the voters are given objective information about the actual causes of it and potential solutions to it.

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