



Maintain state school funding

May 5, 2009

One of the fundamental problems facing Pennsylvania schools and the taxpayers who support them is that the state government provides an inadequate share of public school funding.

The result is that local districts are overly dependent on property taxation.

That's bad for students because widely divergent tax bases among 500 different school districts produce widely divergent levels of educational resources. It's bad for taxpayers because the pressure on property taxes is irrespective of a property owner's income and ability to pay. It's bad for municipal governments, which also are dependent upon local property taxes, because the huge share dedicated to education diminishes their ability to adequately fund municipal services.

All of those reasons led to a statewide study on education funding that resulted in a plan by Gov. Ed Rendell, which was approved by the Legislature for the current state budget, to significantly increase the state contribution to education over a six-year period.

Despite recession-driven projections for a budget deficit that could reach \$2.3 billion, Mr. Rendell correctly decided to maintain the state's commitment to that six-year plan when he proposed the fiscal 2010 budget. Mr. Rendell proposed an array of cost reductions and factored in anticipated federal stimulus spending to cover the deficit.

Monday, Senate Republicans passed a budget in committee that would reduce education spending, and then use \$728 million in federal stimulus money to return that spending only to the current year's level.

That plan defied the idea of the federal stimulus package, which is to put more money into the economy. And, while proponents posed the plan as fiscal prudence, its result would be to place even more pressure on local property taxation.

Effective education funding is a key to short-term and long-term economic development in Pennsylvania. Even if the state maintains the six-year proposal, it will be playing catch-up. Increasing local property taxation is the wrong answer to the state's revenue shortfall.