How are schools funded in Philadelphia?
PA’s Struggling Education System is Bad for Business

93%
PA Chamber survey respondents who have difficulty finding applicants with requisite education, training, and/or skills

$189 million
Cost to PA Chamber members for educational benefits for employees

Our kids are graduating unprepared for the workforce

Source: PA Chamber of Business and Industry
The Share of Education Funding from the State has Been Declining for Decades

State Share of State + Local Funding

School districts are left to make up the difference locally

Source: National Center for Education Statistics
PA is 7th from the Bottom for State Share of Education Funding

We are falling behind the country on education

Source: National Center for Education Statistics
When State Funding Declined, Philadelphia Picked Up the Tab

Over $350 million in increased annual local revenue since 2011

Source: PA Department of Education
But Local Revenues Still Can’t Make Up the Funds for Quality Education

Instructional Spending per Student

- Highest in PA: Lower Merion SD, $17,409
- Lowest in PA: Philadelphia SD, $7,282
- Lowest in PA: Mount Union Area SD (Huntingdon County), $6,324

Philly is in the bottom 10%

Source: PA Department of Education
Philly Has Just 50-60% of the Funds of Top Performers in the Region (2016 Dollars)

The gap has only grown

Source: PA Department of Education
Drilling Down: Philly v Lower Merion - More than Twice the Tax Effort but 4x Less Local Revenue

*Tax effort is measured using the State’s Local Effort Capacity Index, which considers the local tax revenue and median household income of the district compared to the statewide median as well as the real estate value and personal income in the district compared to the statewide median.

Source: PA Department of Education
Philly is Near the Top in the Region for Local Tax Effort

Local Tax Effort for Southeast PA School Districts

3rd highest in the region and 12th highest in the state

Source: PA Department of Education
Educating Poor Students Takes More Money

Philadelphia’s student body is in far greater need of support

Source: PA Department of Education
Private Schools Know - High Quality Education Requires Significant Revenue

<table>
<thead>
<tr>
<th>School</th>
<th>Average Tuition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haverford School</td>
<td>$33,277</td>
</tr>
<tr>
<td>Shipley School</td>
<td>$32,668</td>
</tr>
<tr>
<td>Malvern Prep</td>
<td>$31,204</td>
</tr>
<tr>
<td>Friends Central</td>
<td>$30,373</td>
</tr>
<tr>
<td>Barack Hebrew Academy</td>
<td>$30,250</td>
</tr>
<tr>
<td>Germantown Academy</td>
<td>$30,081</td>
</tr>
<tr>
<td>Episcopal Academy</td>
<td>$29,879</td>
</tr>
<tr>
<td>Perelman</td>
<td>$21,383</td>
</tr>
<tr>
<td>Merion Mercy</td>
<td>$18,500</td>
</tr>
<tr>
<td>Philadelphia SD</td>
<td>$14,406</td>
</tr>
</tbody>
</table>

Tuition is more than twice Philadelphia’s per student revenue at most area private schools

Source: School Websites; PA Department of Education
State Dollars Don’t Follow Need

361
School districts in PA receiving more State funding than the funding formula dictates

Not Philly
Philadelphia SD gets far less State funding than the formula dictates

$700 million
Additional State funding that Philadelphia would receive if all money was distributed through the formula

Philly is subsidizing districts across the state

Source: PA Department of Education
What’s Really Needed from the State to Get Philly to a Reasonable Level

Philadelphia’s State Basic Education Funding

Philadelphia would receive 75% more money from the State if education was adequately funded

Current funding

$1,097,402,336

Additional funding if the State adequately funded education

$827,649,721

Source: Public Interest Law Center; PA Department of Education
Funding Boosts Performance

Performance growth - and decline - went hand-in-hand with funding

*Average share of students passing the reading and math PSSA in 5th and 8th grades, the only grades that took the test every year

Source: PA Department of Education
Underfunding Hurts Traditional Public and Charter Schools Alike

Share of Philadelphia Students Passing the PSSAs

<table>
<thead>
<tr>
<th>Subject</th>
<th>District</th>
<th>Charter</th>
</tr>
</thead>
<tbody>
<tr>
<td>English Language Arts</td>
<td>32.8%</td>
<td>39.0%</td>
</tr>
<tr>
<td>Math</td>
<td>18.4%</td>
<td>18.4%</td>
</tr>
</tbody>
</table>

Both sectors lack the resources to get their kids on par

Source: PA Department of Education
Whether it’s a charter or traditional public school in Philadelphia, it’s underfunded

Consider Lower Merion: Twice the revenue, twice the share of students passing the high school graduation exam

Source: PA Department of Education