

# Racial Bias in Pennsylvania's Funding of Public Schools

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Pennsylvania is currently one of only three states in the U.S. that does not use a formula to determine how to distribute funding to its school districts. This lack of a funding formula raises questions about potential biases in the allocation of funding to districts. An analysis of enrollment, demographics, and basic education funding of Pennsylvania's 501 public school districts reveals **dramatically higher per-student funding in districts with predominantly white populations compared to economically similar districts with more racial diversity.**

Although Pennsylvania currently has no set formula that determines how its Basic Education Funding (BEF) is distributed among its districts, in general the state appropriately provides more funding per student to poorer districts than richer ones, reflecting the higher cost of educating poorer students, and the lower capacity to generate local school funding in poorer districts.

Average Per-Student Funding of Richer vs. Poorer Districts

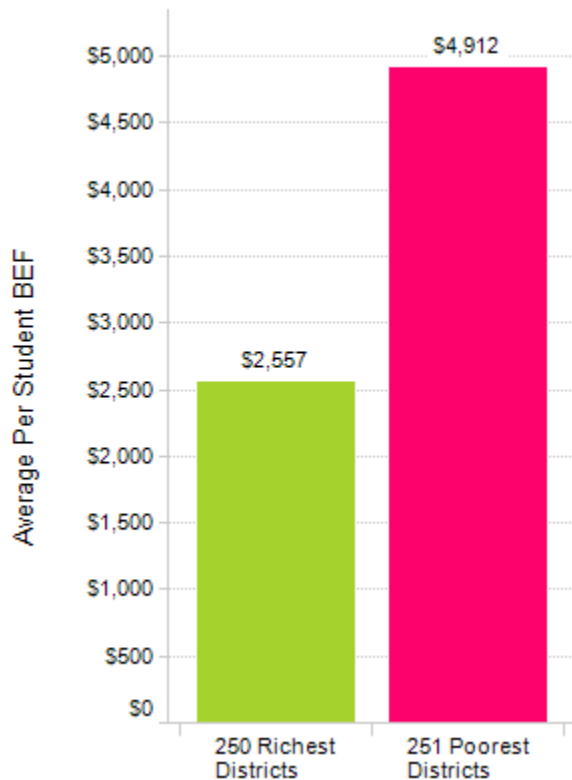


Figure 1. The green (red) bar shows the average per-student BEF funding for districts whose percentage of students eligible for free or reduced cost lunch is below (above) the cross-district median of 40%.

But there is considerable variability in the Basic Education Funding (BEF) each district receives as a function of poverty:

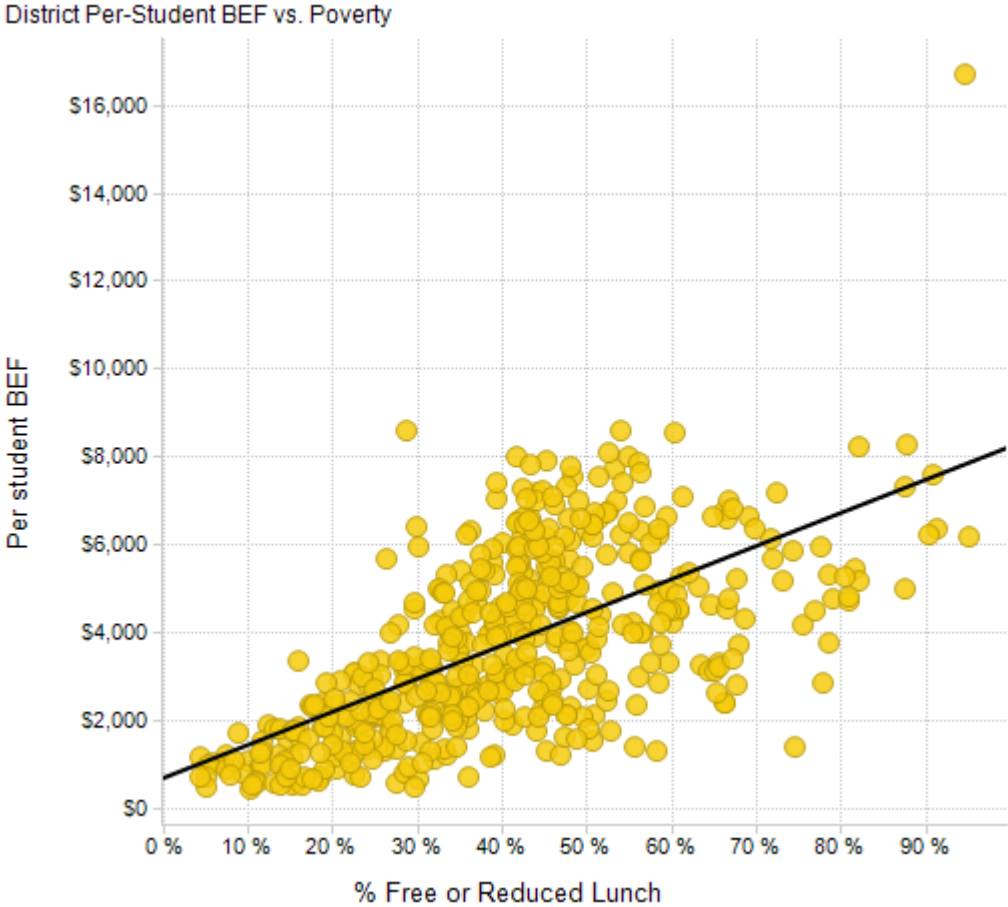


Figure 2. Per-student BEF funding as a function of poverty, as defined by the percentage of students eligible for free or reduced cost lunch. The black line is a best-fit regression line,  $R = 0.63$ .

There are numerous factors that influence per-student funding other than poverty. The diagonal black line represents the expected funding of a district based solely on poverty. Districts above the line are receiving more than expected per-student for their level of poverty, and districts below the line are receiving less than expected. A striking pattern emerges when we color the districts by the racial composition of their students:

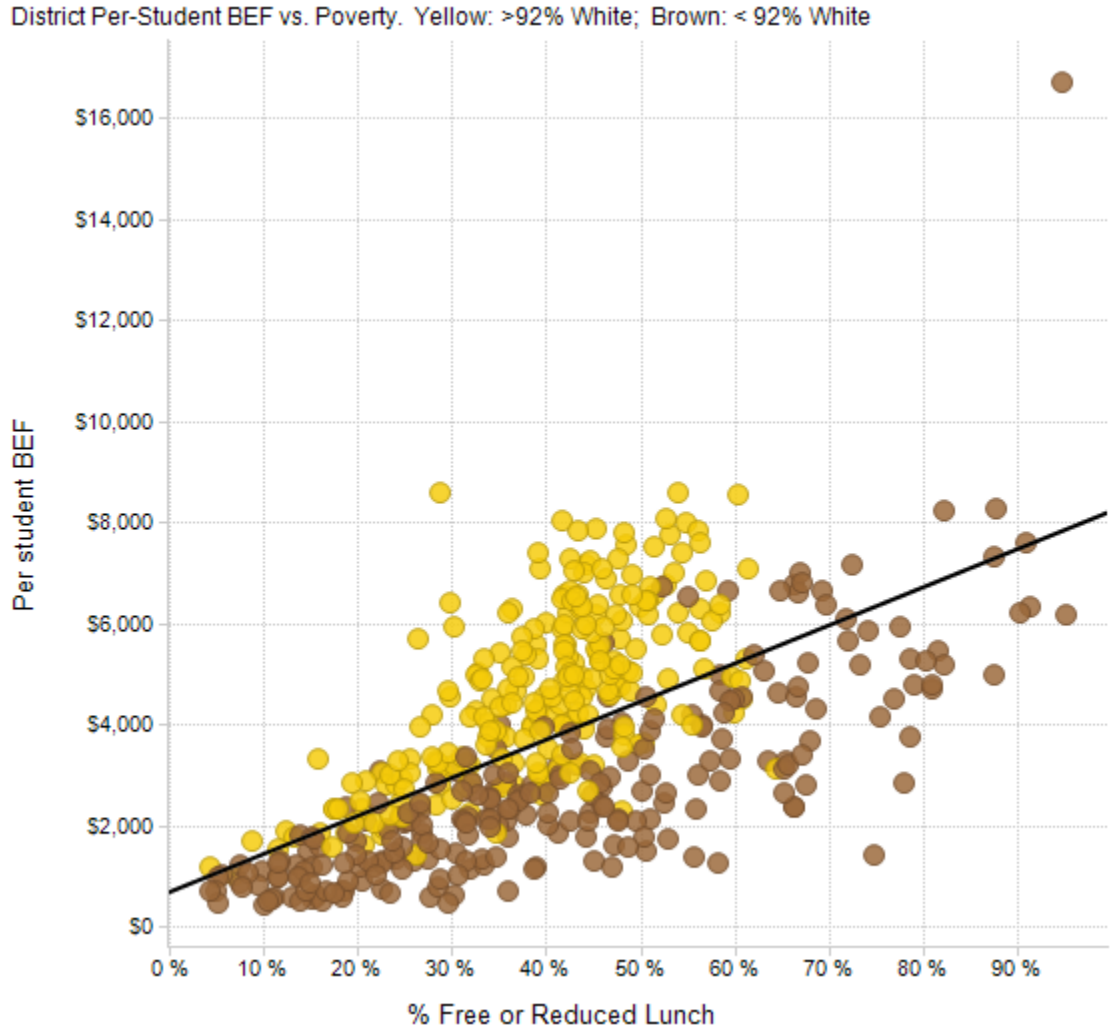


Figure 3. Identical to Figure 2, but with each district colored according to whether its percentage of white students is above (yellow) or below (brown) the average percentage (92%) across all districts.

Nearly all the districts above the line are yellow, representing predominantly white districts that receive more funding than expected based on poverty level. Nearly all districts below the line are brown, representing more racially diverse districts that receive less funding than expected.

Another way to view this racial disparity is by looking at the average per-student funding for districts within specific ranges of poverty levels:

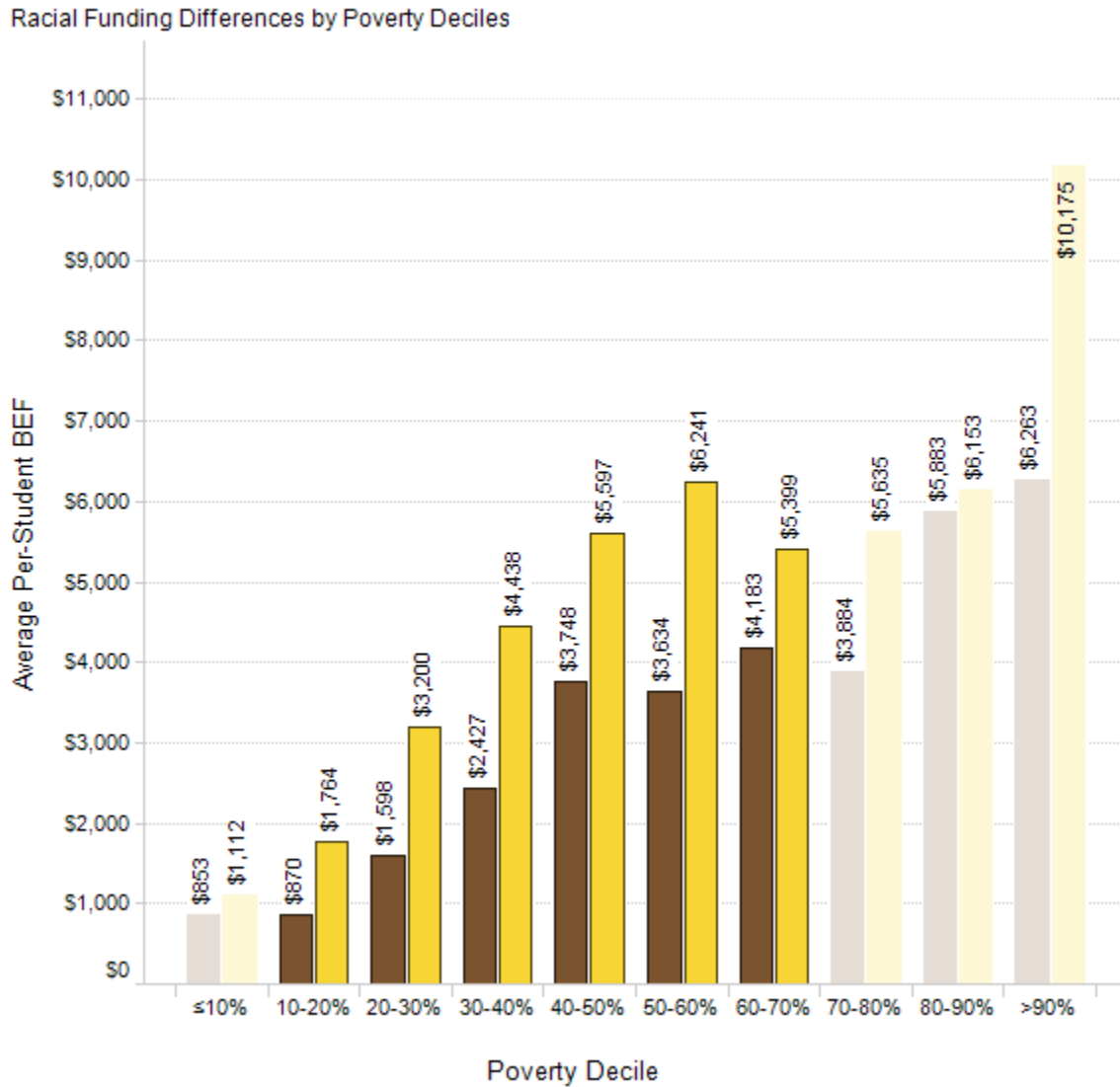


Figure 4. Brown (yellow) bars show the average per-student BEF funding for districts whose percentage of white students is below (above) the median for that poverty range. The faded bars represent poverty deciles that have fewer than 30 districts, so the statistics are less reliable for those deciles.

The brown bars represent districts with a lower proportion of white students, and the yellow bars represent districts with more white students. In every poverty decile, districts whose students are predominantly white receive higher average per-student funding than more racially diverse districts.

This same pattern of racial disparity in funding is also observed when other measures of district wealth are used instead of the percentage of students on free or reduced cost lunch, such as aid ratios (based on property market value and/or personal income).