For more than 50 years, the United States has claimed to provide equal public education to all students, regardless of background or identity. But in fact, as income and wealth inequality have become more brutal and entrenched, low-income students, students of color, and students with disabilities have systematically and continuously been deprived of the resources that more privileged students take for granted. This fact sheet describes some of the sources of the underfunding of public schools, and policies that could finally achieve equity for our schools.

**Federal Underfunding of Public Schools**

In 1965, the federal government passed the Elementary and Secondary Education Act (ESEA), which sought to address the need for additional resources for schools in economically deprived communities. The legislation recommended that the federal government provide additional funding for low-income students, at a level up to 40% on top of average per-pupil state spending. That commitment, known as Title 1, has been underfunded every year.

If the federal Title 1 commitment had been met, Philadelphia would have had an additional $338 million to spend on low-income children in 2015 alone. Over the past 13 years — since this year’s high school graduates entered kindergarten — Philadelphia schools have been shortchanged $3.5 billion in federal Title 1 funds.1

In 1975, Congress passed the law now known as the Individuals with Disabilities Education Act, or IDEA, which requires schools to provide students with disabilities with the supports they need in school. IDEA assumes that on average, the cost of educating a child with disabilities is twice the cost of educating a non-disabled student, and Congress pledged that the federal government would pay up to 40 percent of this cost. That commitment was also never met.

If the federal IDEA commitment had been met, in 2015 alone, Philadelphia would have had an additional $192 million to spend on students with disabilities. Over the past 13 years — since this year’s high school graduates entered kindergarten — Philadelphia schools have been shortchanged $1.8 billion in federal IDEA funds.2

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2 Ibid.
Investment in Police and Prisons Instead of Schools

Over the past few decades, spending on police and prisons has skyrocketed, along with harsh criminal penalties for minor offenses, the criminalization of normal teenage behavior, and punitive school discipline policies. In addition to the unjust incarceration of millions of people, this expansion of the police and prison industry has reduced resources for public education.

In Philadelphia, between 2005 and 2014, government spending increases have not been distributed equally:

- Spending on police has increased by 33%
- Per pupil spending on instruction has increased by only 12%

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Bad Actors

While Pennsylvania public schools struggle, the wealthy and corporations have benefitted from tax subsidies and undermined public education through support for school privatization.

- Good Jobs First documents Pennsylvania’s record of handing out billions in tax subsidies to corporations, including $4.47 billion in subsidies since the late 1970s to corporations like Aker, Volkswagen and Viacom, a $1.65 billion tax break to Royal Dutch Shell to build its ethane cracker plant, and at least $25.9 million to 7 Walmart locations

- Charter school advocates have donated heavily to Pennsylvania politicians over the past nine years:

  - Three executives from the Susquehanna Investment Group, an algorithmic trading fund, Joel Greenberg, Jeffrey Yass, and Arthur Dantchik donated about $4 million through a PAC
  - American Federation for Children, Students First PA and Students First PAC have spent close to $9 million to lobby and elect pro-privatization candidates

Make the Rich and Corporations Pay Their Fair Share

This is the wealthiest nation in the world—and among the most unequal—with the greatest concentration of wealth in the hands of the fewest people. Every year, decisions are made by political leaders that strip public funding from public education and send that money to further increase private wealth. But there are several policies that could generate millions of dollars to achieve equity in Philadelphia public schools.

- Closing the carried interest loophole could raise about $122 million annually in Pennsylvania

- A 6.5% tax on natural gas drilling could bring in more than $200 million in revenue in its first fiscal year

- Pennsylvania could have raised an additional $88 million in 2017 through tax increases and debt service reduction

Our cities, states and federal government have the funds necessary to provide all students with an equitable and high-quality education, but they choose to spend resources on police and prisons, corporations and the wealthy. It is time to take those funds back and provide all children with the schools that they deserve.