

PA School Funding: A Problem for Realtors and Home Values

Pennsylvania's over-reliance on local property taxes to fund public education means wide variation of millage and far too many poorly funded schools.

On average, states across the country cover 47 percent of school funding costs, but Pennsylvania's state contribution to basic education funding is about 38 percent, ranking 44th in the nation.

Rising property taxes in low-wealth communities paired with underperforming schools is a deadly combination for any real estate market

In Pennsylvania, local property taxpayers cover more than 55 percent of basic education funding on average—one of the highest rates in the nation. But no matter how much they raise taxes, lower-wealth school districts throughout the state still struggle to adequately fund their schools. Depressed property values result in limited educational opportunity for students in these communities.

Boosting homes values by providing sufficient state resources for all schools

Studies show that school finance reforms (SFRs) that invest in K-12 education over the long-term can have significant impacts on student achievement. This is especially true when additional school funding is directed to underfunded public schools to help those



students most in need, is reliably available each year, and is allocated to improving the classroom and direct services to children. In short, money (and how it's spent) does impact student success.

The National Bureau of Economic Research documented a connection between additional school funding and overall property values. According to their data, "a \$1.00 increase in per pupil state aid increases housing values by about \$20.00."

Additionally, the Brookings Institution found an average difference of \$205,000 in home prices between houses near high-performing and low-performing schools.

Seeding a much-needed upward trend for many Pennsylvania real estate markets

State leaders took an important first step towards eliminating school funding inequities

in 2015 by enacting the Fair Funding Formula which distributes “new” (after 2015-16 school year) state K-12 education funding based on student and community needs such as student enrollment and the percentage of students living in poverty. This new formula also takes into account district size, wealth, and the local tax effort. Increased long-term state funding must be routed through this formula to eliminate inequities between school districts.

Join ReadyNation’s PA Realtors Bureau By Signing Our Petition

Please visit: strongnation.org/PAREaltor to view the full-length report: *Real Estate Markets Thrive When PA Schools Work* with citations and add your name to our [PA realtor petition](#) to Pennsylvania’s elected leaders.

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