



Proponents of More Education Funding Never Tell the Real Story

This month the Campaign for Fair Education Funding released the report “*Lifting all Students: Why Pennsylvania Must Act Now to Fairly Fund Public Education and Secure our Future*” and called for “a new basic education funding formula [to] be combined with increased investment to ensure every child has an opportunity for an effective education no matter where that child lives”.

While the Campaign’s membership envisions “...increased annual state investment of \$3.6 billion, phased in over six to eight years”, in the interim they would be happy to see \$410 million as a “...true down payment...” toward that goal. Action on the Basic Education Funding Commission’s June recommendations would also be appreciated by the Campaign. As with so many other groups before, this effort wants us to believe that pouring more money into failing schools will fix them. This is in the face of massive amounts of data and analyses that show that not to be the case.

The Campaign’s report projects how the \$410 million would impact school districts across the state, including the 43 in Allegheny County. In 2013-14, based on the Pennsylvania Department of Education’s data on annual financial report summaries, state revenue totaled \$848 million and provided 32 percent of the total revenue (local, state, and Federal) of \$2.6 billion in the County’s districts. The share of the \$410 million that would flow to the County’s districts would be \$33 million. This would range from \$13.3 million to the Pittsburgh Public Schools to \$81,000 in Quaker Valley.

If the additional state funding is calculated on a per-pupil basis, Wilkinsburg, Duquesne, Pittsburgh, Penn Hills, and Woodland Hills would receive over \$450 with Wilkinsburg getting \$822 more and Duquesne receiving \$639. Adding the respective amounts to the 2013-2014 level of per-pupil state funding would raise Wilkinsburg’s per-pupil amount to \$10,040. It is probably a little higher because there was some increase in school year 2014-2015, but those figures have not yet been posted on the Department of Education website so the last known figure we can use is 2013-2014. Pittsburgh’s total state funds per student would rise to \$9,596 and Penn Hills to \$6,564. On the opposite end of the funding formula, Quaker Valley, Fox Chapel, South Fayette, and North Allegheny would receive less than \$50 per pupil from the additional funding, and those districts would have state funding per-pupil in the neighborhood of \$3,376 or less with Quaker Valley and South Fayette below \$3,000.

Impact of Additional Funding on Various School Districts

District	2013-14 Fed, State, and Local Revenue (000s)	2013-14 State Revenue (000s)	Additional Funding Forecast (000s)	2013-14 Fed, State, Local Revenue Per-Pupil	Additional Funding Per-Pupil	New Funding Per-Pupil
Upper Saint Clair SD	\$64,552	\$13,018	\$157	\$15,409	\$38	\$15,447
South Fayette Township SD	\$42,882	\$8,062	\$105	\$15,160	\$37	\$15,197
North Allegheny SD	\$131,616	\$25,832	\$385	\$15,707	\$46	\$15,753
Quaker Valley SD	\$41,716	\$5,343	\$81	\$21,152	\$41	\$21,193
Hampton SD	\$43,500	\$11,316	\$205	\$14,181	\$67	\$14,248
Duquesne City SD	\$19,506	\$16,267	\$511	\$24,354	\$639	\$24,993
Pittsburgh SD	\$618,509	\$250,865	\$13,313	\$22,465	\$484	\$22,949
Penn Hills SD	\$74,116	\$28,839	\$2,239	\$15,653	\$473	\$16,126
Woodland Hills SD	\$79,675	\$27,781	\$2,359	\$15,645	\$463	\$16,108
Wilkesburg Borough SD	\$29,127	\$11,661	\$1,040	\$23,022	\$823	\$23,845

Let’s look at the issue the Campaign says must be addressed. The group points out that “Federal data show Pennsylvania has the widest funding gap between wealthy and poor school districts of any state in the country. State and local per-pupil spending in the poorest districts is 33 percent less than in Pennsylvania’s wealthiest districts”. The table above certainly belies that argument. Of the group Wilkesburg and Duquesne would be considered poor districts in terms of the income levels and property values that determine the tax capacity measures used by the state in its formula for allocating state funds among districts. Both schools have revenues in excess of \$23,000 per student. In 2013-2014, Duquesne had \$20,310 per pupil from the state while Wilkesburg had \$9,217.

Meanwhile, the so called affluent districts of Upper St. Clair, South Fayette and North Allegheny had revenues per pupil respectively of: Upper St. Clair \$15,409 (\$3,107 in state funding), South Fayette \$15,160 (\$2,850 state) and North Allegheny \$15,707 (\$3,082 state). The overwhelming preponderance of school revenue in these districts is raised through local taxes. Note too that the state funds in these districts go largely to cover special education, transportation, and Social Security and pensions as required by law. Only about a third of the state funding goes to basic education in these districts (about \$1,000 per student). Quaker Valley is the only truly wealthy district that receives over \$20,000 per pupil in revenue and of that only \$2,709 is from the state.

When proponents argue that combined state and local spending in poor districts is 33 percent less than in wealthier districts they are deliberately trying to deceive people into believing this is happening because state funding is too low. Honesty would require them to point out that wealthy districts can raise far more money locally with fairly low tax rates and that is the main reason for the disparity in spending—not inadequate state funding.

This point has been made in earlier *Policy Briefs* but bears repeating. It is the same issue we pointed out in 2014 when the Auditor General’s office conducted a hearing in the North Hills School District (see *Policy Brief Volume 14, Number 11*) and when there was an event calling for fair and equitable funding (see *Policy Brief Volume 14, Number 50*). As we pointed out in the latter *Brief*, “To be sure, there are differences in total funding per student among school districts, with some rich districts raising far more tax dollars locally and spending more per student than less well-off districts. But state funding, as we shall show, goes the other way with poor districts

getting far more from the state than rich districts on a per student basis. As long as wealthy school districts with huge tax bases are able to levy local taxes to fund education, this situation will continue.”

Two points need to be emphasized. First—and for many people quite a surprise—many districts with high academic achievement spend far less than many of the districts with the worst education results, both in Allegheny County and statewide.

Consider the per-student spending on instruction in South Fayette (\$6,834) and Hampton (\$7,834) as compared to the per student instruction spending in Pittsburgh (\$12,530), Wilkesburg (\$15,830 (the highest in the state) and Duquesne (\$13,634). South Fayette and Hampton rank among the best academically performing districts and best high schools in the state. Wilkesburg High on the other hand ranks second from the bottom while Pittsburgh’s average high school test scores rank in the bottom half of schools—although some magnets are in the top half but not good enough to be in the top tier of high schools in the Commonwealth. Meanwhile, Duquesne’s elementary school, despite the prodigious level of funding from the state, is stuck in the bottom one percent of all elementary schools in Pennsylvania with only 17 percent of third graders scoring proficient or better in reading. Bear in mind that third grade reading ability is touted as being a good indicator of how students will do in later grades.

Second, several relatively poor districts in terms of tax capacity manage to score very well compared to the state’s test score averages despite having below state average spending per pupil. Windber and Latrobe are good examples in the west. Earlier *Briefs* have also pointed to the example of the Peters Township District where outlays on current expenses, are only \$11,759 per student, placing them well below the Pennsylvania average per student, but nonetheless Peters has the 5th highest academically ranked high school in the Commonwealth. The proponents of more spending as the key to better academic performance studiously avoid mentioning Peters Township.

The overriding point is that if higher spending levels alone could create better academic outcomes, Pittsburgh, Duquesne and Wilkesburg schools would have long since moved into the ranks of the top performing schools in the state.

Thus, the question. What makes promoters of ever increasing spending believe that \$600 or \$700 more per pupil in Wilkesburg or Duquesne—or any of the other failing high spending school districts—will somehow magically produce huge jumps in academic achievement?

In order to change the status quo on state and local funding to meet their concerns, the Campaign should advocate a solution that would remove all taxing powers and budget making from school districts in Pennsylvania and turn all public education funding responsibility over to the state. Of course, the problem then arises as to where and how the Commonwealth might be able to raise the over \$17 billion of additional revenue to replace the eliminated local tax collections for public education.

But if it could, then the state would decide on what it deems to be fair and equitable for districts, whether that means each district gets the same dollar amount per-pupil, or decides that some districts need more than others. Be that as it may, all education dollars would come from the state. If wealthier districts do not want to lose the ability to raise and spend lots of money locally and wish to opt out of all state funding, they could be given the authority to raise and keep local funds to establish scholarships for district students to attend private schools and/or create an independent public school district. By not taking state funds, they could be released from most of

the state requirements as they pertain to public education. A lot of details would need to be worked out regarding employee pensions, etc. but it should be doable if the districts that can afford public education using only local dollars buy into the idea.

The other option is to have the state takeover all the failing school districts and enter into contracts with for-profit and non-profit school operators to provide the education.

Drastic solutions? Perhaps, but they would be far superior to the Campaign's call for increased spending to prop up failing schools. A plan that would not significantly improve education nor would it begin to eliminate the problem of haves and have-nots as long as local taxes for education remain in place. Besides, the state already does a good job of allocating education funds preferentially to both poor and poorly performing districts.

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