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Is the State Education Funding Formula Immoral and Unfair?

Near the end of January, at a public appearance in Harrisburg, the Governor announced that he wanted to alter the way the state funds public education. He stated “let’s get a true, fair funding system of all the schools of Pennsylvania, not for one district or another...It’s not fair right now.”

More recently and nearer to Pittsburgh, the Auditor General held the first in a series of five hearings on charter school funding and, during the hearing opined “the unequal funding system we have here in Pennsylvania, whether it is charter or traditional public, is literally immoral”.

The hearing was held in Ross Township, which, along with West View Borough, makes up the North Hills School District. It is one of 43 school districts in Allegheny County, and, presents a good opportunity to discuss fairness and morality in school funding.

According to data from the state Department of Education’s Annual Financial Report Summary page, the District received \$14 million in state funding in 2011-12, which accounted for 20 percent of the total revenue from all sources (Federal, state, local, and other). Thirty two districts in the County received a higher percentage of state funding. Is North Hills being treated immorally or unfairly?

On a per-pupil basis, North Hills received \$3,257 in state revenue. Districts such as Duquesne, Clairton, Pittsburgh, Elizabeth-Forward, and Highlands received two or more times as much per pupil from the state in 2011-12. Should North Hills taxpayers feel they are being treated unfairly or immorally? Is this the unfairness the Governor was referring to, i.e., the fact that some districts have to raise most of their school funding from local taxpayers, primarily through property taxes? This is not the alleged unfairness referred to by proponents of more state funding for education. They are usually complaining about inadequate funding of poor districts.

Would it be preferable if the state were to mandate that all districts receive the same amount of per pupil funding from the state? If the amount was set at \$8,000, North Hills would see a significant boost in the amount of money coming from the state, but districts on the higher end of state per pupil funding in Allegheny County would have to take large cuts. That is probably not what the unfairness complainers would want to see. They would presumably like to see North Hills and similar districts get more without cutting the districts that are currently receiving a lot more. But that would require vast increases in the amount of state education funding. Where does that money come from in light of the enormous jump in pension payments the state is facing and limited growth in revenue?

To illustrate the reality of the current state funding formula, the table below presents data for six districts in Allegheny County. They represent the three districts receiving the highest percentage

share of funding from the state and the three districts that received the lowest percentage share of state funding in 2011-12.

Selected School District Revenue Data

District	State Revenue as % of Total Revenue	State Funding, Per Pupil	Total Funding, Per Pupil
Duquesne	72%	\$15,091	\$20,771
Clairton	66%	\$9,854	\$14,837
South Allegheny	65%	\$8,041	\$12,344
Pine Richland	15%	\$2,618	\$17,175
North Allegheny	14%	\$2,763	\$19,238
Quaker Valley	11%	\$2,389	\$20,820

PA Department of Education, Annual Financial Report Summary Data

Note that the Duquesne District received 72 percent of its total revenue from the state, the highest share of state funding received by any district in Allegheny County in 2011-12. Further, according to the state appointed overseer's recovery plan, in 2012-13 Duquesne got 83 percent of its revenue from the state. Duquesne and other similar districts have apparently been chosen to be poster children for the proponents of more state school funding on the grounds that the state formula for distributing funds to schools is immoral and unfair. It was mentioned in a newspaper article on the Auditor General's hearing that the Duquesne district was being greatly underfunded (unidentified speakers mentioned a range of "from \$4,000 per child in Duquesne School District compared to \$30,000 per child in some Philadelphia suburbs"). That claim was wildly off. On a per-pupil basis, state funding for Duquesne amounted to more than \$15,000 per student in 2011-2012 and total funding per pupil is currently well in excess of \$20,000, well above the state average.

Duquesne's \$20,771 in combined revenue, including state, local, Federal, and other sources compares very favorably with the total per pupil funding in most so called affluent districts in Allegheny County such as Upper St. Clair (\$17,044), Mt. Lebanon (\$14,463) and Hampton (\$13,403). Duquesne's revenue per pupil was less than Sto-Rox (\$21,676), which is also generally considered a poorer district, and slightly below Pittsburgh (\$21,007).

Here's the real issue. If the proponents of more funding for education want to talk about immorality, they should consider the incredibly poor achievement levels of the kids in the Duquesne schools. Notwithstanding the extraordinarily high total spending and the generosity of the state in providing funds, the percentage of students proficient in reading and math is abysmally low. For the school year 2011-12 (the latest posted PSSA results on the state's Department of Education website) only 14 percent of 4th graders were proficient in reading, 12 percent of 5th, and 13 percent of 6th grade. How can these children hope to move on successfully to junior and senior high school when so few are able to read at elementary grade level?

It is important to bear in mind that Duquesne students in grades seven through twelve attend West Mifflin and East Allegheny schools. The Duquesne District pays the other districts \$10,000 per year for tuition for each student. Quite a bargain considering the much higher per pupil cost at the K-6 school still operated by the Duquesne district.

But one thing is clear from the PSSA results in Duquesne. The real immorality here is the inability of the district to take very generous sums of money from state taxpayers and produce better academic achievement. The children deserve far better than they are getting. Rather than

constantly grouching about funding unfairness, the protectors of failing public schools ought to be willing to consider approaches to educating youngsters other than the public school model.

Jake Haulk, Ph.D., President

Eric Montarti, Senior Policy Analyst

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<p>Allegheny Institute for Public Policy 305 Mt. Lebanon Blvd.* Suite 208* Pittsburgh PA 15234 Phone (412) 440-0079 * Fax (412) 440-0085 E-mail: aipp@alleghenyinstitute.org</p>
