



Education Bargains in Pennsylvania?

The non-stop complaints about inequitable education funding in Pennsylvania have become tiresome. And the constant demands for ever more spending with no evidence that more spending will fix what ails schools is even more wearisome. As we have demonstrated in recent *Policy Briefs*, the argument that state funding is inequitable is simply wrong. The state formula for allocating funds to districts based on need and taxing capacity works quite well. There are glaring examples where it does not work well such as the generosity towards Pittsburgh schools which receive far more per student from the state than other school districts with similar tax capacity.

The principal issue in the equitability argument is actually about the fact that richer districts raise a lot more money per student from local sources than do the poorer districts. That is an argument about unequal resources but it does not obviate the fact that richer districts receive far less per student from the state than do needy districts.

Having established a system which allows local school boards in wealthy districts to raise massive amounts of revenue at fairly low tax rates, the state is now stuck with the problem of having wealthy districts that spend substantially more per student than does the average district in the state. Eliminating or limiting the amounts wealthier school districts can raise from the local tax base will be an extremely hard, if not impossible, political sell.

But beyond that thorny issue, there is the really crucial issue of what the taxpayer is getting in return for the money spent. Are there districts offering high returns on dollars spent and can we learn from them? The answer is yes as this *Brief* will demonstrate.

We begin by looking at academic achievement and spending per pupil through comparing some wealthier, high revenue, districts with some less wealthy, lower revenue, districts. There are a number of districts in the state that spend \$20,000 or more per student each year not including revenue from the issuance of bonds. In fiscal year 2012-13, there were 15 districts in this category, most in the Southeast corner of the state. Only three were in western Pennsylvania, two in Allegheny County—Pittsburgh and Quaker Valley—and West Greene in Greene County.

Three examples of high spending districts are evaluated: Springfield Township in Montgomery County, Palisades in Bucks County and Quaker Valley in Allegheny County. In 2012-13, the latest published revenue data, Springfield had total revenue of \$21,453 per ADM (average daily membership is essentially the student count), of which \$18,321 was local and \$2,893 was state, the small remainder from Federal and other. This *Brief* will use the high school performance to evaluate the district since that is the true measure of how well prepared graduates are to move ahead in life. How does the district's high school measure up academically? Okay, but not strong

compared to the state's better schools. Only 73 percent of 11th graders were proficient or advanced in math, 88 percent in reading and 60 percent in science. As we shall see later this is well below the performance in other schools that spend far less money. Interestingly, because of the muddled way the Department of Education (DOE) rates schools, Springfield High gets a score of 91.9 on its overall academic rating even though its test scores would suggest a much lower rating. This is a result of the DOE basically giving free points in several measurement categories and overweighting others (as outlined in *Policy Brief, Volume 15, Number 3*) that lead to a distortion in the evaluation of academic accomplishments.

The Palisades district had \$20,977 per ADM in total revenue with \$16,701 local and \$4,136 from the state. But the high dollar amount of revenue has not translated into outstanding academic performance. On math, 77 percent of students tested scored proficient or advanced, on reading 87 percent, but on science, a disappointing 41 percent. The school received a score of 88.6 on the DOE scale after getting 20 points for academic growth in math and science notwithstanding the 41 percent scoring proficient in science.

Quaker Valley had revenue of \$21,320 per ADM, \$18,007 local and \$2,538 from the state, the remainder mostly Federal. Here the academic achievement is above average but not superior. 78 percent of test takers were proficient or advanced in math, 89 percent in reading and 65 percent in science. Despite these scores the DOE assigns a rating of 91.0 owing to the gratuitous and irrational manner it awards the final score.

Of course, there are districts with very high levels of spending that have performed much better than these three but these districts illustrate the kinds of test results that occur despite district revenue that is far above the state average revenue per student of \$14,873. But the point is these three are fairly well-to-do districts in terms of having a tax base per student that allows them to generate so much local revenue and receive relatively modest amounts from the state—as determined by the state's formula. And what's more, it demonstrates that spending huge amounts of money does not necessarily translate into top tier academic performance.

Earlier *Policy Briefs* have demonstrated the woeful academic performance in non-magnet schools in Pittsburgh and the schools in Wilkesburg despite revenues per student, other than bond issuance proceeds, in both districts being among the top 20 of all 500 districts in the state.

In a stark contrast, consider three southwest Pennsylvania districts that raise far less revenue, while relying heavily on the local tax base, and have academic performances that are far superior to those wealthy districts described above.

Peters Township in Washington County has to be one of the best education values in the state, if not the best, in terms of outcomes per dollar expended. Revenue in 2012-13 totaled \$11,602 per student (\$3,000 lower than the state average), \$8,925 local and \$2,608 from the state and a very small amount of Federal. Here's the astounding academic news. 93 percent of test takers scored proficient or advanced in math, 98.6 percent in reading, and 85 percent in science. These scores are head and shoulders above the three wealthy districts discussed above and achieved with per student funding at barely half those districts.

Next we look at the Hampton School District in Allegheny County. Revenue totaled \$13,649 per student in 2012-13, \$10,006 local and \$3,427 from the state and small amount of Federal. Academically, the high school is top flight. 92.5 percent of 11th graders scored proficient or advanced on math, 97.5 percent on reading and 87.7 percent in science. Despite these outstanding numbers on the achievement tests, the school received only a 95 on the DOE rating. Why?

Because, notwithstanding the tremendous performance on the subject area tests, the rating was held down due to an inexplicably low rating on indicators of academic growth.

Hampton is certainly returning strong education value per dollar spent compared to most districts spending at or above the state average.

Finally, we review the Greater Latrobe District. The district had revenue of \$11,800, \$7,574 local, \$4,016 state and \$210 Federal. Note first that 28 percent of students are considered to be disadvantaged based on qualifying for free lunches. The high school does well academically with 85 percent of students proficient or advanced in math, 93 percent in reading and 75 percent in science. Certainly, it is better than the performance of the high revenue districts discussed above that spend twice as much per student. And, Greater Latrobe has nearly twice as many disadvantaged students as any of the three wealthier districts described above.

In short, these three examples of modest spending districts clearly show that it is possible to produce very good and even outstanding academic performance while using far less than the state average revenue per student and only half as much as some wealthy districts collect.

There is a lesson here. The focus should not be on ever more money for education. Maybe it's time to take a look at what Hampton, Greater Latrobe and Peters are doing to obtain their good results and learn from them.

Jake Haulk, Ph.D., President

*Policy Briefs may be reprinted as long as proper attribution is given.
For more information about this and other topics, please visit our website:
www.alleghenyinstitute.org*

<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>
