

Pennsylvania's state school funding disparities and irrationalities

Summary: A review of spending and academic achievement finds there is no positive correlation between the level of state funding received by districts and their academic achievement. That is to say, higher state funding per student does not translate into improved district achievement.

Pennsylvania's school district funding data are available through school year 2016-2017. These data point to a bizarre allocation of state dollars. A key issue is that the level of state funding by district has no positive correlation with district academic achievement. Indeed, for the 49 districts receiving above \$9,500 per student in state revenue (the state funding average for all districts was \$6,578) and having total state and local revenue above the state average of \$16,372, higher combined state and local revenue is actually associated with lower state academic ranking, although the association falls short of statistical significance. These school districts average \$18,955 in total state and local revenue, ranging from \$17,004 to \$25,553, and average state revenue of \$12,122 with a range of \$9,684 to \$17,741 per pupil.

In-depth statistical analysis of this group also finds that higher state funding per student is not positively related to better school achievement as indicated by district rankings that are driven by scores on PSSA and Keystone exams.

In the following discussion, all revenue figures are per student. To be precise, per average daily membership, and, for all practical purposes, per student.

State funding for the 499 districts ranges from a low of \$3,018 to a high of \$17,741; 287 districts received above average funding with 138 districts receiving more than \$9,500. Meanwhile 212 districts received \$6,500 or less with 46 under \$4,000 and 12 less than \$3,500. The lowest state-funded district received only 17 percent as much funding as the highest and less than half the state average.

Note that federal dollars were excluded from the revenue totals. Including them would have only made the relationship between total revenue and achievement worse. The larger amounts of these funds are typically given to districts struggling academically.

To be sure, there are districts with well above average total revenues that have good to strong academic achievement rankings but do not receive high levels of state funding. These tend to

be found in fairly well-to-do suburban neighborhoods. In Allegheny County for instance, Fox Chapel, Quaker Valley, Pine-Richland, North Allegheny, Mt. Lebanon and Upper St. Clair all receive \$4,500 or less from the state but have above \$17,000 in total revenue. And therefore must raise the lion's share of revenue from within their districts.

Meanwhile, for school districts that have combined state and local revenue totals of \$15,000 or less and under \$7,000 in state revenue, the relationship between revenue and achievement rankings confirms the revenue versus achievement results for the higher revenue districts discussed above. This group contains 67 districts. The average total revenue for the group was \$13,927 compared to \$18,954 for the high revenue grouping discussed above. Revenue ranged from \$12,003 to \$14,999. State revenue averaged \$5,475 and local revenue \$8,450. Thus, these districts received, on average, less than half the amount of state funding than the high revenue group. At the same time, they locally raised \$1,600 more per student.

Analysis of this group finds that while there was a very modest positive relation between district revenue and state achievement ranking it was not a statistically significant finding. There was, however, a marked difference in the two groups of districts in terms of average achievement rankings. The 67 districts with \$5,000 less than the high revenue districts and, with \$6,650 lower state funding, posted an average state ranking of 225th highest out of 603 ranked districts and charter schools. The higher revenue districts had an average ranking of 329th highest out of 603.

As expected, when data for the two groups are combined, in-depth analysis shows a very strong negative relationship between revenue and achievement. That is to say that higher revenue is associated with worse achievement. While overall significance is not comfortably high, the 95 percent confidence range for the numerical estimate of the relationship is narrow enough to confirm the straightforward evaluation using the average rankings that show the lower revenue group has better academic achievement than the high revenue group.

Some extreme examples will illustrate the oddity that is the state's funding of school districts. Consider that Peters Township is the No. 1 academically ranked district in the state and has state and local revenue per student of \$14,831 with state funds accounting for only \$3,608 of that. Why the high ranking? Ninety-five percent of 8th graders were advanced or proficient in language arts, 87 percent in math and 92 percent in science. Elementary grades also performed extremely well. Keystone exam results showed 93.4 percent advanced or proficient in math, 91 percent in biology and 95 percent in literature.

Compare that to Duquesne with \$20,000 per student with \$17,741 of that from the state and an academic ranking of 589th of 603, or 14th from the worst. What accounted for that low rating? The district has one school, an elementary school through grade six. Only 6.9 percent of the sixth-grade class scored proficient in math with 93.1 percent scoring basic and below basic. Sadly, 72.4 percent are below basic which means they have no grasp of the material. Meanwhile, Wilkinsburg had state and local revenue of \$25,553, of that \$13,134 state funding. Wilkinsburg ranked 542nd in the state. Pittsburgh had \$22,603 in state and local revenue with \$10,475 in state funds. Pittsburgh's test scores that led to the low ranking of 471st are discussed in full in *Policy Brief Vol. 19 No. 3*. Finally, Farrell had local and state revenue of \$21,162 with \$15,671 from the state. Academic rank? 538th.

How can the state send so much money to some districts and get so little in return in academic achievement? Is there no mechanism for accountability? And how do these districts get so much more money per student than the state average of \$6,578 so that many districts will get much less than the state average, such as Peters with \$3,608?

And consider the other side of this puzzle. The Hazelton School District had \$11,779 in revenue with \$6,562 from the state. Hazelton's academic rank was a very poor 492nd with 8th graders at most middle schools scoring very poorly on all subjects, particularly math. Then there is the Wilkes-Barre district with a ranking of 505th. The district had revenue of \$14,512 with \$6,372 from the state. How is it that Hazelton and Wilkes-Barre get so relatively little per student support from the state while six districts in Mercer County get over \$10,000 and seven districts in Somerset County get over \$10,000?

One possibility is the hold-harmless provision that for decades has kept basic education funding growing in districts with declining enrollment so that the per-student revenue rises at these schools if they maintain local support at the same level or a little higher. If that is the case, then a dreadful injustice is being visited on the schools that have not had enrollment declines or have had enrollment increases.

That would certainly explain in large part the situation in Pittsburgh where enrollment has plummeted from over 40,000 to 24,000 over the last few decades. Duquesne and Wilkesburg likely fit this category as well. No doubt it applies to many districts across the state that have watched enrollment fall.

But what a perverse incentive. Just lose enrollment and get more money per student from the state to pay employees more and start programs and hire all sorts of professionals. Too bad all that has done little to improve the dreadful education outcomes which have likely been a major cause of the loss of enrollment.

In simplest terms, hold-harmless funding must end. It has made matters worse, education is not improving and it is unconscionably unfair to other districts that could actually put the money to better use.

Or if they cannot put it to better use, cut the education budget. The taxpayers could use a break.

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