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Eyes Focused on Pupil Costs in the Burgh?

Consultants engaged by the Pittsburgh Public Schools at the beginning of 2013 released a finding that the per-pupil cost in Pittsburgh is about \$7,000 more than similar districts in Pennsylvania. Reacting to the finding, the Superintendent noted that the school board needs to "...have the facts on the table".

It is not clear if the implication is that the board had heretofore been in the dark about per-pupil costs in the District—the Annual Financial Report always contains data on student operating statistics and duly reports the cost per-pupil in 2011 was \$21,177. None of this will come as a surprise to readers of Allegheny Institute *Policy Briefs* that have made these points many times. Likewise the state Department of Education regularly makes such information accessible and reported that identical amount for 2010-11, making Pittsburgh the eighth highest in the Commonwealth out of 500 public school districts.

The consultants, as reported in a news article, looked at spending and made adjustments to the data (removing special expenditures such as payments to charter schools) to produce a figure of \$18,400. Compared to "similar districts in the state" that produced an average cost of \$11,600, the resulting difference was \$6,800. A later article identified the peer districts as Allentown (\$11,952), Erie (\$12,913), Hazelton (\$10,917), Lancaster (\$14,606), Reading (\$12,559), and Scranton (\$13,792).

Give the consultants some credit for at least identifying the per-pupil cost and comparing it to other districts. Let's hope the report drives some discussions about the District's budget and the impending arrival of insolvency that has been predicted to arrive sometime around 2016. Previous consultants missed real opportunities to look at the data they had produced on per-pupil costs and therefore missed real opportunities to make hard recommendations for the District.

For instance, in 2005 (see *Policy Brief Volume 5, Number 25*) a consultant was paid \$250,000 in taxpayer money for a report telling the District it needed to close schools and achieve other savings of \$84 million over five years (combined operating expenditures for the District from 2005 through 2010 was \$3.3 billion) and found that Pittsburgh's per-pupil cost was 23 percent higher compared to five midwestern and northern districts. Lowering the Pittsburgh District's per pupil costs toward the average of those districts would have produced savings on the order of \$100 million per year.

A year later (see *Policy Brief Volume 6, Number 61*) another group brought in to help the District also presented a review group of other school districts (across the country) but never calculated per-pupil spending even though they had expenditure and enrollment data. The Allegheny

Institute calculated Pittsburgh spending to be 59 percent higher than the average of the other districts. We recommended the District reduce per-pupil costs to around \$12,500 with adjustments for inflation and enrollment, something the consultant should have done based on the data available but did not.

No matter how you slice it, Pittsburgh spends an exorbitantly high amount on a per-pupil basis.

If student population (average daily membership) is chosen as the basis of comparison, Pittsburgh spent more than Philadelphia (\$14,132), Central Bucks (\$13,811), Allentown, and Reading, a group that, along with Pittsburgh, represents the five largest districts in the state from the 205,000 students in Philadelphia to the 18,000 in Reading.

If the comparison is based on the relative wealth of the District—using Pittsburgh’s ranking of 386th on the state’s market value to personal income aid ratio list to compare (1st being “poorest” and the 21 districts tied at 480th being “wealthiest”)—we find per pupil spending at similarly ranked districts was lower. Districts included Fairview in Erie (\$12,552), Schuylkill Valley in Berks (\$15,618), Upper Perkiomen in Montgomery (\$13,882), Dallas in Luzerne (\$11,154) and Keystone Oaks in Allegheny (\$17,929).

If the comparison is based on geography and is limited to Allegheny County, districts including Duquesne (\$20,564), Brentwood (\$20,693), Wilkinsburg (\$20,569), and Quaker Valley (\$20,046) nudge up against Pittsburgh’s level of spending per-pupil. The average per-pupil expenditure of all districts in the County not including Pittsburgh was \$15,500.

With this new consulting report set to be finalized toward the end of the year along with a hefty reshaping of the school board with four of the nine school board members not returning in 2014, perhaps the board will finally get serious about reducing costs—and improving academic performance.

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