

POLICY BRIEF

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Latest Education Funding Plan Fleeces Taxpayers

The Governor was handed an embarrassing defeat when only a quarter of Pennsylvania's 501 school districts chose to participate in the property tax reform plan under Act 72. Undaunted, his Department of Education (DOE) has revisited the thorny issue of school finance. Instead of focusing on the tax side, this time the strategy is to mandate a spending floor to ensure that no district spends less than \$8,500 per student.

To begin the process, the state is allocating \$23 million as part of the Basic Education Subsidy to help 221 districts currently spending less than \$8,500. However, the \$23 million is little more than a tease since most districts will receive only \$35 per pupil although some might get as much as \$55 per student. So, if a district is now spending \$7,000 per student, a \$35 supplement will amount to only 0.5 percent more dollars to spend. A district with 1,000 students would receive \$35,000—probably not enough to hire one additional teacher.

The DOE says that to address adequate funding, there needs to be a formula setting a “minimum funding target that districts should reach in order to provide an adequate education.” Since the DOE believes \$8,500 per student is the correct number in Pennsylvania, the \$23 million being allocated this year is obviously intended to be just the first in a long series of steps that will eventually raise all districts to \$8,500. Of course, long before the \$8,500 target is reached, the target will have been raised.

What a misguided scheme this is. First of all, there is no evidence that spending more will produce better academic achievement. For example, our *Policy Brief* from 2003 (*Volume 3, Number 5*) showed that while 40 percent of the state's districts spent above the state average per-pupil expenditure level, only half of those districts scored above average on the PSSA exam. Conversely, there were districts spending well below average that produced above average test results.

It bears repeating; more spending does not translate into improved performance. Consider that the Allegheny County districts of Pittsburgh, Clairton, Wilkinsburg, and Duquesne spent over \$12,000 per student in 2003-04, and yet produced results that do not even remotely suggest that spending more money leads to better results. The fact that a large portion of the expenditure is coming from the state should outrage Commonwealth taxpayers.

Secondly, if \$8,500 per student were truly necessary to produce an adequate education, the state would have a moral and constitutional obligation to move immediately to find the requisite funding to bring every school to that level. One quick and obvious way would be to eliminate state allocations to all districts currently spending more than \$9,000 per student in locally raised tax revenues and shift the funds to the low expenditure districts. Diverting money from programs of dubious merit should also be on the table as a way to supplement the under funded districts. The fact that no such recommendations have been proposed suggests that the Department's minimum spending scheme is little more than a smokescreen.

Indeed, it's just another program to get more money into the education system to support higher compensation for teachers and administrators. There will be no perceptible academic improvement since the personnel and their skill sets will not be significantly changed. The plan is little more than a diversion that will delay truly meaningful reforms such as universal vouchers that could make a real difference in education quality in Pennsylvania as well as hold down costs.

This latest scheme must be recognized for what it is--a sop to teachers' unions. It is primarily a way to enlarge payrolls and union power disguised as an attempt to improve education. As long as the citizenry doesn't catch on to the real motivation behind these schemes, the state can keep fleecing taxpayers to fund them.

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