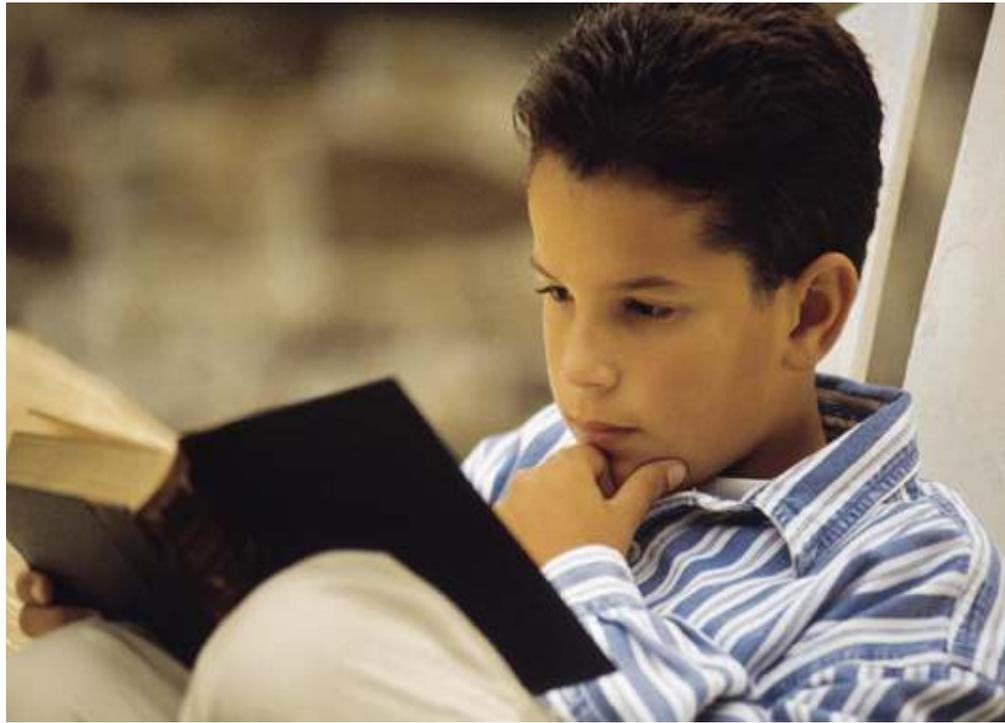


Key Findings

- 21 school districts with 104,876 students
- Instructional spending gap between the highest and lowest spending districts is \$142,000 per classroom
- Low-income student population has grown over 45% in four years from 2008 to 2012
- Only half of young students attend full day kindergarten
- Graduation rate of 93.3% is the best in the region
- \$34 million in additional state aid would adequately fund Montgomery County Schools

The Bottom Line Is Children Public Education In Montgomery County



Montgomery County is expected to experience strong economic and job growth through the end of this decade. These economic trends stand in stark contrast to the challenges that school districts are facing educating 45% more poor children than were enrolled in schools in the county five years ago. While the county's overall educational profile is unquestionably very strong, select districts across the county are facing new challenges finding the resources and strategies to ensure that every graduate contributes to the county's economic future.

This reality spells trouble in the short and long term.

The Montgomery County Workforce Investment Board projects that the number of jobs will grow over the next eight years and that the supply of workers will also expand. Slightly more than 80% of all of the county's job growth will be in the high skill sectors through 2015. Consequently, Montgomery County's ability to sustain the projected job and economic growth is integrally linked to its ability to help school districts improve the skills of every young adult entering the workforce.

In the September 12, 2013 edition of the Journal of Business and Politics, the Chairman of the County Commissioners, Josh Shapiro, identified four ingredients to creating a world class region, including workforce development. He pointed out that “workforce development is vital to the viability of a project. After all, a new building only grows our economy if workers are inside.” Yet, according to the Montgomery County Workforce Investment Board, employers in the county are having a hard time filling critical positions since the Great Recession ended. This suggests that

Montgomery County already has the sort of problem the County Commissioner is trying to avoid.

What follows is Public Citizens for Children and Youth’s summary and analysis showing why this is the case and what can be done to increase the number and share of graduates who leave high schools across the county prepared to succeed in college and careers.

Adopting these strategies is essential to meeting the county’s projected economic growth needs:

Essential Strategies

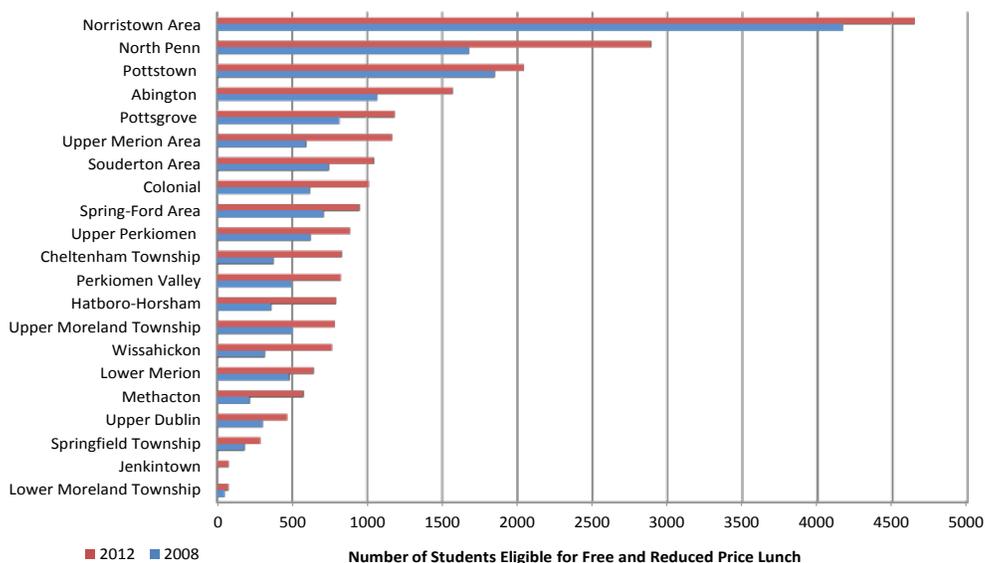
- Give every child the option to attend full day kindergarten
- Increase resources and supports to close the academic achievement gaps within every school district
- Special efforts are needed to boost the academic performance of the Norristown and Pottstown Districts
- County leaders must build a county-wide coalition to focus on increasing the state’s investment in every district in the county

Who Are The Students?

Montgomery County has 21 school districts serving 104,876 students. Approximately seven out of ten students are White, 13% Black, 8% Asian and 6% Hispanic.¹ The number of students who are eligible for free and reduced price lunch has dramatically increased over the past five years from 16,241 students in 2008 to 23,698 students in 2012.

This 45% increase is the highest of any of the four suburban counties. While the Norristown School District is home to the largest number of students eligible

The Number of Montgomery County Students Eligible For Free and Reduced Price Lunches Grew By 45% Between 2008-2012



for free and reduced price lunch, the Methacton, Wissahickon, Cheltenham and Hatboro-Horsham doubled their rates.²

Only Half of Montgomery County Young Children Attend Full Day K

A strong start in school is highly correlated with better social and academic outcomes.³ For this reason, many districts across the state have expanded from half day to full day kindergarten. In Montgomery County, districts use three kindergarten configurations: full day, half day, or a combination of both, typically based on need.

Twelve school districts offer full day kindergarten for all students, while eight others offer half day and a limited number of full day seats. Only one district, does not offer a full day kindergarten option. As a result, only half of all children in Montgomery County schools attend full day kindergarten.

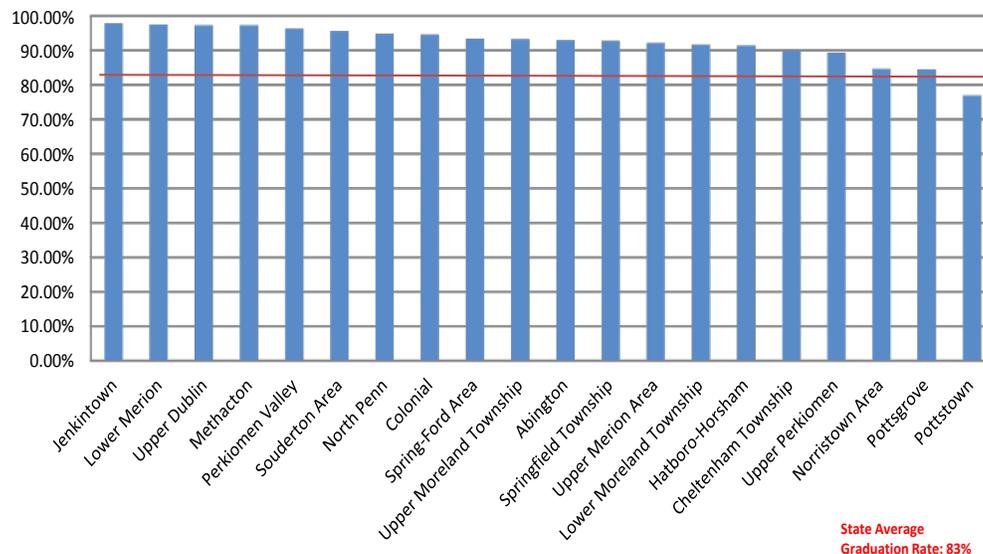
	Half Day Kindergarten Enrollment 2012 - 2013	Full Day Kindergarten Enrollment 2012-2013
Abington	-	579
Cheltenham Township	-	315
Colonial	-	363
Hatboro-Horsham	285	3
Jenkintown	-	39
Lower Merion	439	-
Lower Moreland Township	-	152
Methacton	267	7
Norristown Area	-	664
North Penn	842	3
Perkiomen Valley	339	18
Pottsgrove	-	243
Pottstown	-	257
Souderton Area	412	12
Spring-Ford Area	515	7
Springfield Township	-	189
Upper Dublin	-	290
Upper Merion Area	266	44
Upper Moreland Township	-	247
Upper Perkiomen	198	54
Wissahickon	-	325
Total	3,563 (48%)	3,811 (52%)

Montgomery County Graduation Rate Is Highest In The Region

High graduation rates have been linked to stronger economies and reduced crime rates.⁴ Montgomery's countywide average graduation rate of 93.3% is significantly higher than the state average of 83%, and is the highest of the four suburban counties.⁵ Only the Pottstown School District falls significantly below the state average, with a graduation rate of just 77% in 2011.

As our analysis of PSSA scores will show later in this report, graduation rates are not a clear indicator of academic performance. Graduation rates should not be divorced from graduating students who are ready to meet the demands of work and post-secondary education.

Nearly Every Montgomery County School District Exceeds the State Graduation Rate



Academic Performance Is Strong But 15,700 Students Need More Help

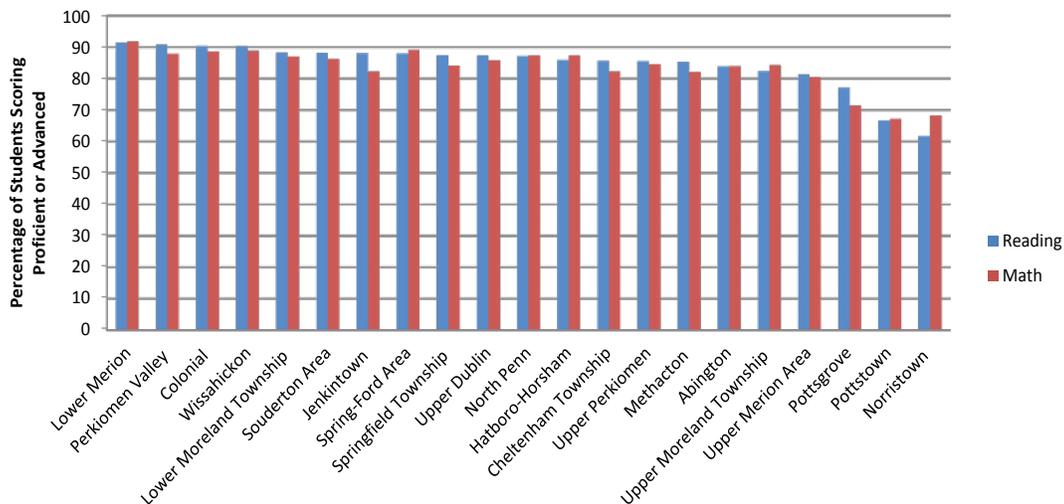
The annual Pennsylvania System of School Assessment (PSSA) is a standards-based assessment designed to measure student performance as it relates to state standards. Student scores are categorized into four levels: (1) Advanced, (2) Proficient, (3) Basic, and (4) Below Basic. Scoring proficient or advanced indicates that a student is performing at grade level or above in the tested subject.

Montgomery County has some of the highest performing districts in the region. Many students are not only meeting the demands of state standards, they are exceeding them. This includes the 85% of students who scored proficient or advanced on the 2012 PSSA reading exams (compared to the state average of 72%) and the 85% who scored proficient or advanced in math (compared to the state average of 76%).

Of the four suburban counties, Montgomery County has the second highest percentage of students scoring proficient or advanced in reading and math, slightly behind Chester County.

Many districts in Montgomery County are doing extremely well with the percentage of students scoring at grade level or above.⁶ Lower Merion School District ranks the best in the county with 91% of students scoring proficient or advanced on both the PSSA math and reading. Despite this strong performance county-wide, 15% of students are performing below grade level. Montgomery County needs to do more to help these 15,700 students, many of whom attend school in the Pottstown and Norristown school districts where student achievement lags the state average.

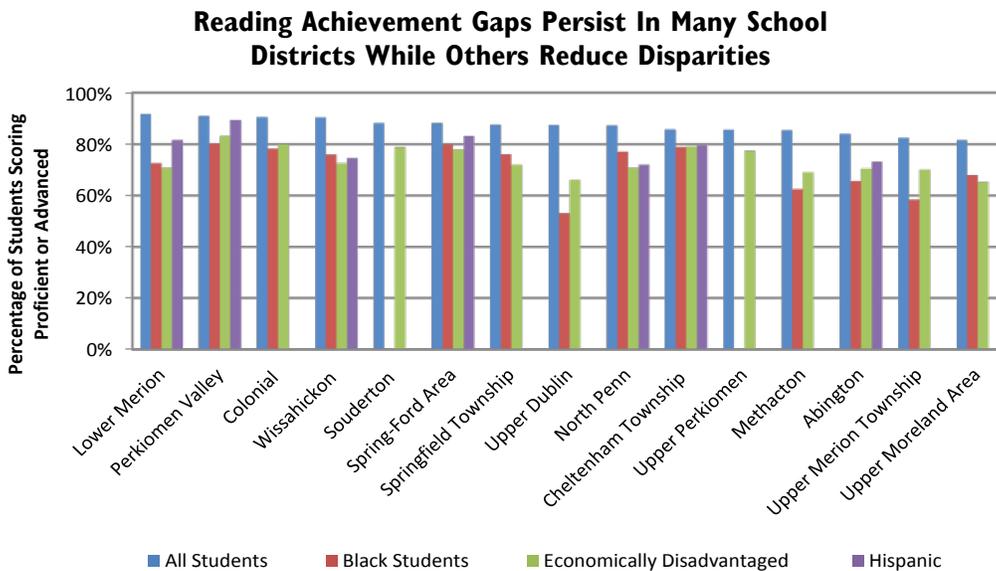
85% of Montgomery County Students Perform at or Above Grade Level on 2012 PSSA Exams



A Closer Look Spells Trouble In Some Districts

A closer examination of student subgroups within high-performing districts reveals a troubling trend. Despite the success of their students' overall performance on

the PSSA, Montgomery County's high-performing districts must be more intentional in engaging Black and economically disadvantaged students. See chart below.



But Some Good News In Other Districts

Some districts are doing a better job at reducing academic disparities than others. Cheltenham exhibits one of the lowest achievement gaps across the county with single digit gaps for low-income and Black students. Upper Perkiomen, Souderton, Perkiomen Valley all have gaps below 10

percent for low-income students. Spring-Ford school district also exhibits narrow gaps for Black students. Although Norristown and Pottstown must work harder to raise achievement among all students, only a narrow gap exists between the district average and student subgroups.

Education Funding Affects Academic Outputs

A report on educational outputs would be incomplete without an examination of monetary inputs. Sufficient funding alone will not fix all the challenges of public education,

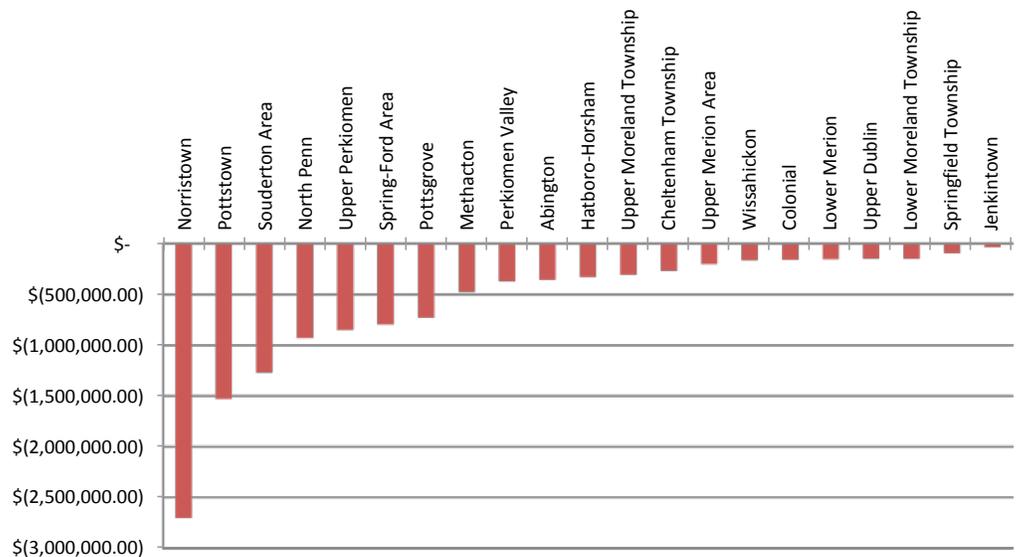
but without adequate funds, schools cannot provide the resources necessary to help their students succeed.

Pennsylvania: One Of Three States Without A Funding Formula

Research shows that investing in public education is central to a strong economy and improving social outcomes.⁹ Despite this research, Montgomery County school districts, along with hundreds of others throughout the state, must function year-to-year without a consistent funding formula. Formulas help to ensure that school funds are distributed in a way that reflects student needs. On a policy level, distributing funds without considering the actual cost necessary to address the specific needs of students and school districts is unwise. Most states use an accurate student count, along with some variation of student and district weights, but Pennsylvania does not. In fact, Pennsylvania is one of only three states without such a formula. On a practical level, this forces school districts to operate without the ability to plan or project their budgets or meet the needs of their students.

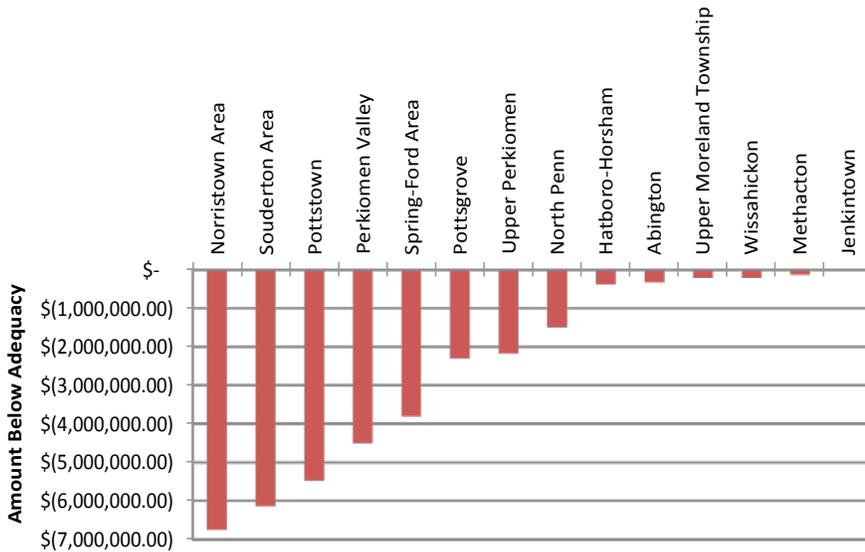
In Montgomery County, the absence of a funding formula harms the students and districts that need it the most. In addition to ending the formula, the state cut nearly \$1 billion in aid to public education in 2011. These cuts were felt across the state by nearly every school district. Two years later, in 2012-2013, the Pennsylvania legislature passed a politically motivated formula that awarded \$30 million in special supplements to just 21 school districts. Consequently, every school district in Montgomery County is receiving less funding this year than they received in 2010.

Every District Is Receiving Less State Funding Than 2010-2011



Montgomery County Schools: Underfunded By At Least \$34 Million

\$34 Million In Additional State Aid Would Adequately Fund Montgomery County Schools



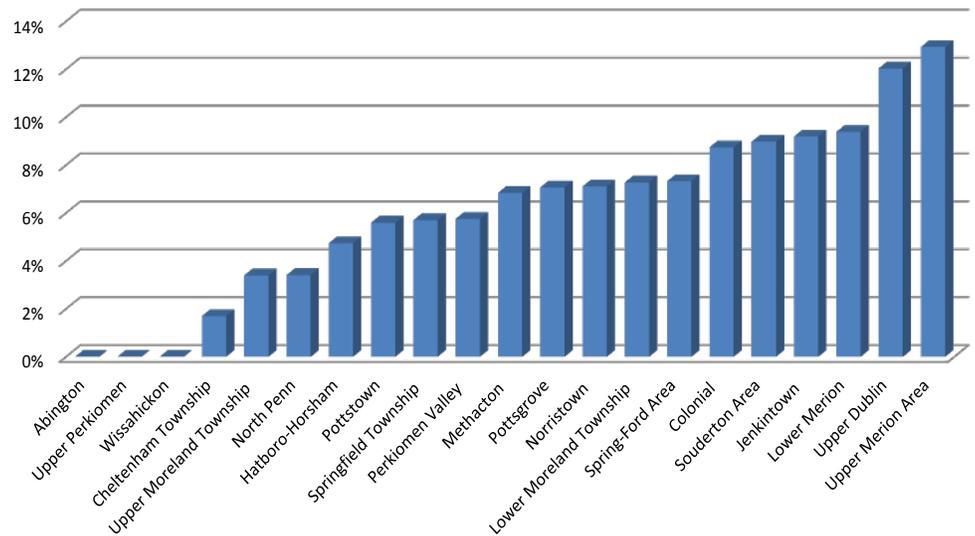
If Montgomery County’s districts were receiving funds based on the state school funding formula adopted by the Pennsylvania Legislature in 2008, PCCY’s analysis¹⁰ finds that the Montgomery County school districts would be receiving at least \$34 million in additional state funding this year. Specifically, based on the adequacy targets in that formula, fourteen school districts would receive additional funding and the remaining districts would be held harmless.¹¹

As Funding Disparities Rise, So Do Local Taxes

To cope with state budget cuts, the burden of funding schools has fallen on local communities. In the past three years, 83% of school districts in Montgomery County have raised property taxes at least once.¹² However, even when districts opt to increase property taxes, disparities between the districts continue to grow.

Wealthier communities can increase the local tax effort minimally and generate funds to compensate for state cuts. Districts with a weak property tax base are not able to raise taxes enough to have a significant impact because the local tax burdens are already disproportionately high.

18 of 21 Districts Have Raised Property Taxes In The Last Three Years



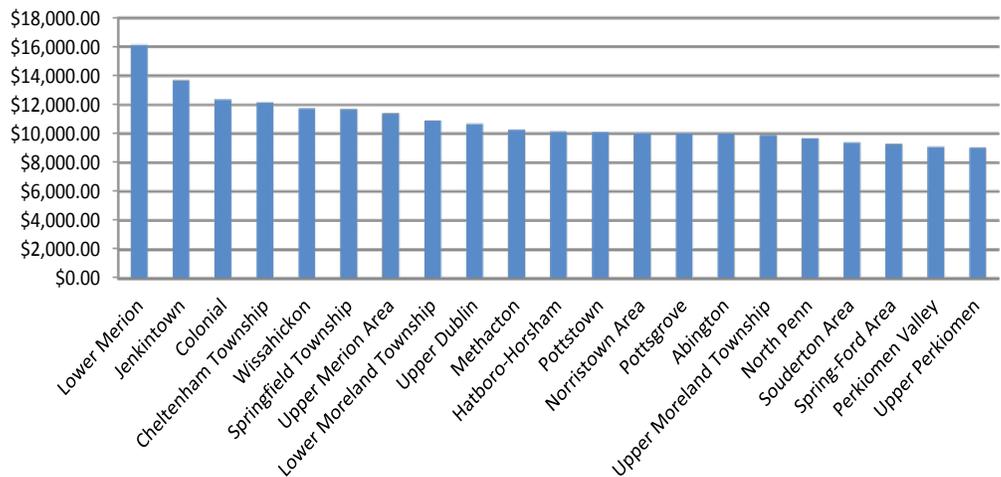
As a result, property tax increases in low wealth communities typically yield very little new revenue. These are the same communities whose school districts have the highest concentration of students who need extra assistance to achieve academic success.

The disparity in local tax effort is quite distinct in Montgomery County. For example, the millage tax rate for the Pottstown School District, the highest in the county, is approximately twice as high as the rates for the Lower Merion School District. Yet, despite Pottstown having the highest millage rate in Montgomery County, the school district is among the lowest spending per student for instructional costs.

The absence of a funding formula perpetuates disparities among districts across the county.

In 2011-2012 the instructional spending gap between the highest and lowest spending school districts was \$7,100 per student, or about \$142,000 for every classroom of 20 students. Lower Merion School District had the most to invest per student at \$16,145 while Upper Perkiomen School District spent only \$9,039 per student for instructional costs. That means that the highest spending district has 79% more funding to support students than the lowest spending district.¹³

79% Per Classroom Spending Difference Across The County



Note: The per student spending levels shown are Actual Instruction Expenses from 2011 to 2012 as calculated by the PA Department of Education.

Conclusion

Montgomery County is facing many of the same educational challenges that America’s urban areas have faced for decades. The disappearance of jobs that do not require a college degree means that school districts must ensure that every child graduates high school with strong academic skills. Employer demands are rising and our school districts and families are having a very difficult time adjusting to these ambitious requirements.

To ensure all students succeed, our schools need to implement strategies that specifically meet the needs of children who live in poverty or in families where the parents have limited education. In Montgomery County, children in these circumstances represent a larger share of its public school enrollment.

At the same time that employers are looking for more and more high-skilled workers and our students are entering schools with more challenges, the state has stepped back from meeting its constitutionally-obligated commitment to provide the funds necessary for a quality public education.

Without question, schools across the county must do a much better job helping the students who are not succeeding meet the high performance of their peers. At the same time, county leaders and concerned citizens must do their part to ensure that every district has the funding in place to make that possible.

A History of School Funding in Pennsylvania

2006: The General Assembly called for an independent study to determine the actual cost of educating students in the commonwealth with a focus on adequacy and equity.

2007: The Costing Out Study found that Pennsylvania was underfunding education by \$4 billion annually, and that 94% of districts had inadequate resources to meet state standards. The report also found that the state relied too heavily on local property taxes to fund education, thus perpetuating the gap between resources available to rich and poor school districts.

2008: The Study was used to develop:

- 1) Adequacy target, or the amount of funding districts would need to meet state standards.
- 2) Student and District Weights, or additional funding that reflected the real cost of educating students.
 - For small districts
 - For districts with high local cost of living
 - English Language Learners
 - Students in poverty

2008-2010: Three years of state funding increases distributed to school districts via the formula.

2011: \$1 billion cut made to state aid for public education.

2012: Cuts to public education locked in with level funding.

Endnotes

1. Source: Pennsylvania Department of Education:
http://www.portal.state.pa.us/portal/server.pt/community/enrollment/7407/public_school_enrollment_reports/620541
2. Source: Pennsylvania Department of Education:
<http://www.portal.state.pa.us/portal/server.pt?open=514&objID=509210&mode=2>
3. Karweit, Nancy. 1989. "Effective Kindergarten Programs and Practices for Students at Risk." In *Effective Programs for Students at Risk*, ed. Robert E. Slavin, Nancy L. Karweit, and Nancy A. Madden. Boston: Allyn & Bacon.
4. Lochner, L. & Moretti, E. (2004). The effect of education on crime: evidence from prison inmates, arrests, and self-reports. *The American Economic Review*, 94(1) 155-189.
5. Source: Pennsylvania Department of Education:
http://www.education.state.pa.us/portal/server.pt/community/pennsylvania_department_of_education/7237/info/757639
6. Source: Pennsylvania Department of Education:
http://www.education.state.pa.us/portal/server.pt/community/pennsylvania_department_of_education/7237/info/757639
7. Source: Pennsylvania Department of Education:
http://www.portal.state.pa.us/portal/server.pt/community/school_assessments/7442
8. School districts exceeding the county's overall percentage of students scoring proficient or advanced on the PSSA reading are identified as high-performing.
9. Source: Pennsylvania Department of Education:
http://www.portal.state.pa.us/portal/server.pt/community/school_assessments/7442
10. In <http://all4ed.org/wp-content/uploads/2013/09/SavingFutures.pdf>
11. Source: Pennsylvania Department of Education:
<http://www.portal.state.pa.us/portal/server.pt?open=514&objID=509059&mode=2>
12. Analysis done by Public Citizens for Children and Youth (PCCY)
13. Source: Pennsylvania Department of Education:
http://www.portal.state.pa.us/portal/server.pt/community/financial_data_elements/7672
14. Source: Pennsylvania Department of Education:
http://www.portal.state.pa.us/portal/server.pt/community/financial_data_elements/7672



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