
Fixing What's Broken: An Agenda for Education Reform for Pennsylvania

Robert P. Strauss¹

Professor of Economics and Public Policy
H. John Heinz III. School of
Public Policy and Management
Carnegie Mellon University
Pittsburgh, PA. 15213-3890

Email: RPStrauss@ATT.Net

Revised

July 27, 2005

¹ The proposals and opinions in this paper are solely those of the author and do not represent those of Carnegie Mellon or its Board of Trustees

1. Introduction

The purpose of this paper is to outline a range of ideas that might constitute a series of education policy proposals by the next governor of Pennsylvania that would accompany finance reform proposals with accountability proposals so that voters would have reasonable confidence that greater state funding of k-12 education would be accompanied by more responsible and efficient use of monies.

It is understood at the outset that Pennsylvania's constitutional framework and history accord local school districts and local governments very wide latitude in their conduct. Moreover, given the fact that Pennsylvania's school age population as a percentage of voting population is very small, parents with school age children are not particularly influential among demographic groups. The traditions of local control, the historical antipathy to any systematic state role in education, in the face of a continuing stagnant economy and likely widespread skepticism about the wisdom of spending more money on k-12 education, means that any set of proposals and their method of implementation has to be convincing.

This means that enactment of the accountability proposals must *precede* enactment of the school finance proposals. Second, the proposals must be capable, to the extent possible, of standing individually on their own merits. Proposals that must be tied together in order to be effective are discussed one by one below.

2. Accountability Elements

2.1 Oath of Office, Duty of Loyalty and School Judgment Rule; Legislative Payment of School Board Salaries of \$12,000/year.

2.1.1 Oath of Office

Severino and Strauss(2005) argue that replacement of separate oaths of office for school board members with the following oath of office will materially improve accountability of elected board members as well as improve the relationships between superintendent and elected board:

“ I [name] , a duly elected or appointed school board director or senior education leader, do solemnly swear:

to support the constitution of the United States and to support the constitution and laws of the this state,

to allocate school resources and effect educational policy solely for the purpose of ensuring that each student learns to his or her intellectual capacity, and

to discharge these duties loyally, honestly, impartially, and with diligence and care, so help me God.

2.1.2 Oath of Loyalty

“Any school board director or person selected to be a public school board director who, directly or indirectly, corruptly demands, seeks, receives, accepts, or agrees to receive or accept anything of value personally or for any other person or entity, in return for:

- (A) being influenced in the performance of any official act;
- (B) being influenced to commit or aid in committing, or to collude in, or allow, any fraud, or make opportunity for the commission of any fraud on the state; or
- (C) being induced to do or omit to do any act in violation of the official duty of such official or person;

Or whose deliberate actions place personal interests in conflict with the director’s duty to the school district and fails to fully and fairly disclose such conflict before a public school board meeting;

Shall be fined under state law not more than three times the monetary equivalent of the thing of value, or imprisoned for not more than fifteen years, or both, depending on the severity of the violation and may be disqualified from holding any office of honor, trust, or profit in the state.”

2.1.3 School Judgment Rule

“A school director or senior education official who makes a school judgment in good faith fulfills the duty of care if the school director or senior education official:

- i) is *not interested* in the subject of the school judgment;
- ii) is independently *informed* with respect to the subject of the school judgment to the extent the school director or senior education official reasonably believes to be appropriate under the circumstances; and
- iii) rationally believes that the school judgment is in the best interests of the school district in ensuring that each student learns to his or her intellectual capacity.”

Annual cost: 4,500 x 9 x salary

2.2 Student Testing and Curricula

Pennsylvania has been the last state to adopt and participate in the National Assessment of Educational Progress (NAEP), and has systematically avoided in the development of its own student tests annually testing at each grade level, and the linking of results by student from year to year. Given federal pressures under the No Child Left Behind for progress, Pennsylvania is

exploring on a pilot basis “value added” assessment which was pioneered in Tennessee; however, a cursory look at the value-added effort reveals that it will not follow each student through each year to enable both the local district and the state to follow each student’s progress. Districts have always evaluated or assessed their students using tests they purchase and/or develop; however, typically the most successful schools (usually suburban and better funded) purchase national tests and administer them most frequently. More frequent assessments done by teachers and buildings can be based on textbook publishers’ test banks that accompany (for additional purchase) their text books and study guides, or developed by central offices of larger school districts.

Curriculum, in terms of state standards of what a student should be able to demonstrate by subject and grade level, remains a controversial topic in Pennsylvania. Textbook purchases, which implicitly contain curriculum and points of view, are local matters without state direction, while state standards have been developed by PDE, but remain tardy in terms of their being fully developed compared to other states, and in some areas remain fuzzy.

There is no state obligation to align curriculum to state standards; however, the PSSA tests are broadly aligned with the state standards so that any district that seeks to do better on PSSA would be well advised to conform their curriculum to the PSSA.

PDE takes the position that the PSSA is a sound assessment system. Others find that there are systematic gender differences in test results at certain grades. I see a several percent difference in one large, local school district in mean reading achievement by sex that is not do to chance; n=around 800 boys and 800 girls.

The involvement of Pennsylvania’s higher education community in the development of PSSA has been weak and contrasts with active involvement in other states.

Arguably this confused state of affairs reflects a combination of inability of state education policy makers, who are dispersed across a variety of institutions, to organize an effective set of assessment tools that are linked to strong curricula based on a strong understanding of the relationship between evolving labor market needs in a global economy and the link to k-12 education, a lack of interest and focus by governors and general assembly, and lack of interest by the public and various elites.

Gubernatorial intervention in this area is complicated by the sensitivity of the issues that arise in the curricula area, and the great diversity in cultural attitudes across Pennsylvania to matters of history and political “correctness.”

Several other general points are in order here that relate to this problem statement. First, the analytical capability of PDE has severely deteriorated over time as governors across at least the last 25 years have continued to cut spending and positions but for a few pet projects, while the information obligations on PDE to collect more information have grown dramatically over time. A question can be raised at the outset whether or not the agency that doles out the money to the districts, audits for financial compliance and audits for teacher certification and compliance with the rules in the School Code should *also* be charged with the responsibility for evaluating the efficacy of the outcomes via control and administration (through delegation to the districts) of the

PSSA tests. Another model might be to turn the testing responsibility over to an *independent* state agency that would devise/buy/administer the tests.

In the past I've suggested that the State Auditor General might be an appropriate authority to do this; however, another more promising approach would be to give that evaluation responsibility to the State Board of Education and materially beef it up in terms of its own staff and oversight capability.

Right now the State Board is woefully understaffed and entirely reliant on the Department of Education for information and analysis. Their total budget is about \$250,000, and their weak resource base undermines their ability to perform oversight for which they are charged to do, let alone policy development. A comparison of the Pa. State Board to other states' long-term oversight groups is not favorable. Some states have created special agencies that report directly to their legislature on items they deem critical. The Indiana legislature took responsibility for supervising the teacher credentialing process out of the hands of their department of education and charged the new agency with the responsibility of deciding which standardized tests to have hopeful teachers take (and determine the passing level).

Another way to think about hiring procedures at the local level, again in conjunction with the oath of office suggested above, is to recreate the County Superintendent of Education and reorganize the IU system and process around the County. Charge the County Superintendent with Making sure the oath is honored, that hiring of teachers is based on their likely capacity to improve learning and is free of nepotism or worse. Some years ago when I visited the Michigan Department of Education they mentioned that they were struggling with the design of oversight that would be both independent and close enough to each district to advise and enforce state policy, and they were thinking about returning to the County Superintendent model that was jettisoned after the 2nd World War. Basically consolidation of districts was used to argue that the larger districts would become more professional, and thus the County Superintendent was no longer needed to keep an eye on things. Arguably with the continued downsizing of PDE something new needs to be created.

Second, a common concern of all districts about the current PSSA system is that they receive the results of the Spring tests so late in the summer that they have grave difficulty in incorporating the results into their plans for the subsequent year. While Pennsylvania is a leader in scanning tax returns in April and quickly incorporating those results into its fiscal procedures, it must send out the 1.7 million PSSA tests to its vendor in Minneapolis who then takes months to tabulate the results.

Third, while local districts routinely use other national assessment tools, they are not encouraged or guided by the state. Arguably state financial aid to support this activity seems merited; however, the resultant data should also be maintained in Harrisburg so that the state is in a position over time to monitor and research individual student progress. Privacy concerns and fear of government intrusion are often raised by those who do not want the state to closely follow school outcomes; however, state dollars investing in testing should not be spent without state oversight, both in terms of the financial propriety of their local expenditures but also in terms of the efficacy of the outlays.

2.4 School Choice and Accountability

As is well known, there is national interest and support for allowing children in failing schools to have choice of alternatives after repeated indications of a school's failure. School choice is a red flag in the face of teachers' unions, and raises constitutional issues that are constantly being fought out in the courts. A new element in this area entails education through distance learning, or a mixture of distance and face-to-face education.

Several things should be widely in agreement. First, regardless of whether or not a child is in a public, parochial, private or charter/cyber school, the state has the authority to regulate certain components of the contact of each form of education with children. The health and safety of each child is the proper responsibility of the state to exercise through oversight and regulation. Financially, the taxable or exempt status of each educational form is a matter that the state can regulate. Also, the state can choose to support financially each form of education as long as there are constitutional separations between church and state in the educational activities of the school. It follows that the state has the authority (and I would argue the responsibility) to assess students who attend any form of education to both inform the children and parents of outcomes but also to ascertain if the delegation of responsibility to educate children, which occurs through any educational form, is being met.

The details of whether local districts should have the authority to supervise non-public forms of education, and be penalized through loss of school subsidy are very important and sensitive, and were hotly battled during the Ridge administration.

2.4.1 Parental Choice of Teacher

2.4.2 General

The purpose of this section is to describe and explain what can create systemic, constructive change in Pennsylvania's system of public education through a form of school choice that has not been tried anywhere in the US, but as argued below can be implemented at low or zero cost by the state, and can be expected to materially improve student outcomes in a very timely fashion. . It is not a piecemeal reform, but rather a very major revision to the existing system of public education by taking part of the student assignment decision that is organized in higher education and applying it to k-12. It assumes:

- 1) high levels of quality information about student outcomes (arguably PSSA)
- 2) a material increase in parental involvement in public education and the introduction of strong elements of choice for parents which retain the structure of public schools;
- 3) revision and clarification of rights and responsibilities of stake holders that entails revising materially the environment within which school directors and superintendents make decisions; (this builds on the oath of office proposal above) and,
- 4) the continued presumption that local control is the mantra of public education in Pennsylvania, and that much of the existing superstructure of education remains in place.

A central consideration of addressing 3), which no state has effectively done, is that unless Pennsylvania's teacher force is materially improved in terms of content knowledge as they are replaced during the retirement cliff, the chances for significantly improving student outcomes is low. That is, unless the teacher hiring decision is cleaned up in Pennsylvania, all bets are off.

The core assumptions are that high stakes testing at the beginning(not yet in place) and end of the school year: 1) inform stake holders (children, parents, teachers, school administrators, and school board directors) what 'problem' prospectively they need to solve during the academic year, and 2) indicate, afterwards, what success in solving the educational 'problem' they achieved during the year.

Providing parents with this information and requiring them to choose who should teach their child in the subsequent year changes in a very radical way the incentive structure facing all the stakeholders. Currently, assignment of student to teacher is a delegated responsibility by the General Assembly to the local school boards, which in turn have delegated it to their administrators. The idea of parental choice of teachers is to statutorily delegate this responsibility instead to parents (who can choose not to exercise it). School administrators implement these choices on behalf of the General Assembly and their delegates, the local boards.

Very quickly parents will take it upon themselves to demand information about what has and will happen in the classroom, and school boards, administrators and teachers will be forced into meeting these demands. During the school year, parents will also monitor what happens and become engaged in working with their child and school to ensure that gain in student learning, what everyone agrees is the desired outcome of the educational process, in fact occurs.

It is widely agreed that where parents are involved in the schools, student achievement is greater.

Under the proposed public school choice model, choice is introduced in a sequence of opportunities: First, choice among teachers within the building.

Second, if no choices within the building are acceptable to parents, then they are, under this model, enabled to elect to send their child to another public building in the same district. This in effect is a magnet portion of the model.

Third, if intra-district choice is not attractive to the parent, then the parent may take his child to a building in another district if the district is willing to accept the payment. This across district movement is associated with the loss of per-pupil state aid from the origin district, and the state adding to, if necessary, the destination district's budget sufficient funds. The destination district must, however, be willing to accept the student.

Fourth, as a last resort, significant vouchers are available to allow parents for whom these public education choices are not acceptable.

Reliable information linking *median* gain scores to teachers is critical over time to enable parents to make informed choices.

Arguably in relation to the right to choose a child's teacher a parent should have the right to meet prospective teachers before the start of the school year. Working out the mechanics and timing of this in conjunction with the suggested choice mechanism deserves further attention.

2.4.2 Parental Choice of Teachers and Cleaning up the Hiring Decision

It is likely that increased parental scrutiny of who teaches their child will do two things:

- a) it will strongly encourage continuing teachers to be more responsive to children and parents as to what their educational activities will be and encourage them to make meaningful self-investment in professional development that improves their subject and pedagogical skills; and,
- b) it will accelerate the process of retirement, and thereby create an opportunity in many districts to renew their teacher force at a lower cost.

Central to improving the quality of Pennsylvania's teacher force is to radically improve the content knowledge of its new hires. Given the statutory and judicial setting in which school boards currently make the hiring decisions, improving in a systematic way the quality of hiring decisions requires some very major tinkering.

To do this, the laws governing school board director conduct will need to be changed so that they:

- a) positively affirm they and their agents (the school administrators) are to make decisions solely for educating each child to his/her intellectual capacity
- b) agree not to directly or indirectly personally benefit from the programs or activities of the district in a manner that differs from any citizen of the district (more precise language on self-dealing is contained in my May 13, 1999 Congressional testimony on my web page), and
- c) agree to disclose publicly their personal and business finances which are independently audited for conformity with b)'s conflict of interest prohibitions

In economic terms the legal framework is changed to eliminate much of the rent-seeking behavior which school directors engage in. It is only realistic to then pay them for their 400 to 500 hours/year of volunteer time. At \$12,000/director and 4,500 directors statewide, this creates some new budgetary costs of \$54 million per year.

Given school districts are agents of the General Assembly, they should be paid by the General Assembly. Receiving a monthly check cut by the General Assembly will have more than symbolic value, it will remind both the General Assembly and the school directors where much of public education funding is coming from. It also is a recognition by the Executive Branch that the General Assembly is the constitutional, central responsibility for public education in the Commonwealth.

2.4.3 The Choice Parents will Have Available to Them

In August, school boards will effect the mailing to each parent the teachers available in the upcoming school year. Parents will be provided information about which teachers are available to choose among, the beginning and ending average and quartile student test scores from last year, some information about the teachers (college of BA, MA, professional development, awards, years of experience) which will be especially important for new hires without a track record in the district. It would be especially helpful to the parents if they are also provided with the prior Spring's test results of their child and some building-wide comparisons. Parents would not be guaranteed their first choice, and would not be forced to take less than, say, their third choice.

Parents will be asked to indicate:

- 1) do they want to let the District make the teacher assignment? Yes No

If no, rank their choices from 1 to n:

or

- 2) if none of the above in that building is acceptable: rank teachers 1 to n in other buildings in district.

- 3) if none in 2) is acceptable, the parent is to indicate a teacher in a building in another district which is acceptable to the parent and which has indicated it is willing to accept the child.

or

- 4) if none in 3) is acceptable, the parent requests a voucher in the amount of \$3,500.

2.4.4 Sequencing the Changes and the Nature of the Information Available

Getting school directors affirming their decision making and ethical responsibilities, disclosing and ultimately being audited, and paid are urgent first steps which can be done relatively quickly should they be agreed to legislatively. It highlights that reform means refashioning local control to focus on students learning to their intellectual capacity. Raising the ethical standards that govern how board decisions are made should erase much of the public cynicism about the ability or willingness of public education to change. It also should create initial support from superintendents, teachers and their unions who often complain that boards meddle for reasons other than making sure that education works.

Undoubtedly both parents and school administrators will need to learn how to express and manage the preferences for teachers, so it is suggested that the first year be one in which preferences are advisory rather than mandatory. As a result, there would be limitations on the amount of choice put into place (so, vouchers and inter-district choice would not be available in the

first year), and the rankings could be advisory to principals in the first year. In subsequent years, no child can be assigned any teacher below his/her third choice.

State testing in late spring for each grade level should be performed, and the results accumulated by building, teacher, and grade level for provision by the local Board to parents in August of 2000 for the advisory year of teacher choice in. The tests should permit the determination not only if students ended the school year at grade level in basic skills, but also differentiate in terms of achievement.

In mid-September, the beginning of the year state tests should be administered and results provided to teachers showing the average and distribution of 'starting value test results' but not individual student results. Parents and students would receive the individual results. The superintendent would be obligated to report publicly to the Board by no later than October 1 of the year what the building level scores (mean and distribution) were and what each teacher was starting with.

In the spring of a year, the state would again test, and the Superintendent would be obligated to report publicly to the Board of the results on the same basis.

In August of the year, parents would receive their choice forms, and have available, for the first time, the gain score data by teacher which would enable them to make informed choices.

By making publicly available the beginning and ending student test results, school boards would begin to develop oversight procedures, and superintendents and their staffs required to report on promises made and promises kept.

2.4.5 A Comment about the the Fall and Spring Tests

There are three major vendors of tests which can be administered in the fall and spring: Iowa Tests of Basic Skills, Stanford-Benet etc. They cost on the order of \$3/child/test retail; moreover, quantity discounts are available. The tests examine reading math etc. and give grade equivalent analysis. Using national tests has its strengths and weaknesses, but is the only way to find out where the kids are at on a consistent basis, and also to demonstrate nationally to employers that the state is serious about getting its kids ready for higher education and/or the labor market. It is imaginable that parents are acutely aware of preparing children for the rigors of the next century's labor market and the international competition for jobs that we now hear about as "outsourcing."

Promising to make sure that parents know where they child is by the 2nd week in September, and how they finished by the first week in July through state investment in prompt feedback makes common sense, and coupled with the new oath of office and requirement that school boards be given monthly status reports on the adherence to strategic plans linked to their budgets, should do much to create not only focus but progress in raising the level of learning outcomes statewide.

3.0 School Finance:

The two contentious issues in Pennsylvania school finance are the growing anger over the local property tax, and the very low level of state participation in local school funding that has eroded over time. The enactment of gambling to solve the first problem has not been successful in that less than ½ of the state's districts elected to participate. Moreover, serious questions about the adequacy and stability of gambling as a source of property tax reduction can be raised.

The property tax is not going away and is in a bad state of affairs in many counties. Regardless of school finance reform *per se* progress can be made in improving the municipal property tax.

I've written and/or spoken about these items repeatedly, and in the interests of time will just note a few points under each.

3.1 Fixing the School Property Tax

3.1.1 Reverse Equity Liens on Poor Seniors Real Estate

3.1.2 Reforming Property Assessment

3.1.2.1 Judicial Oversight and the Reassessment Process

Allegheny County's ongoing judicial receivership of the assessment process would benefit from a variety of guidelines about how a reassessment should occur, and what a judge can and can not do in holding that there is non-uniformity and requiring a reassessment. For example, all the county assessment codes would be improved if the timetable from reassessment to data review, appeals, and final certification were made certain in each of the assessment codes (including Philadelphia and Allegheny as well). Second, each of the assessment codes could require that upon a judicial finding of non-uniformity, an entire reassessment *must* be ordered, and that the responsibility of the judiciary would be to monitor and itself certify when compliance is achieved.

3.1.2.3 Reassessment and the Growth Cap

Much has been made locally by the Allegheny County Executive about the non-compliance of school districts with the 105% growth cap. There is no reason why the cap measurement mechanism can't be more carefully defined, and set to 100%; the effects of appeals, new construction, and additions and demolitions needs to be explicitly accounted for in the statute.

3.1.2.3 Cleaning up the STEB Law by Eliminating the Self-Reporting Bias

3.1.2.4 Requiring Systematic ReAssessment:

I see no reason why the Commonwealth cannot require a canvass and reassessment at least every 5 years, and provide technical assistance and funding to that end.

3.1.2.5 Paying for a Statewide GIS System and Flyover Every 3 Years

3.1.2.6 State Participation in IT Costs, Statewide parcel identification system

3.1.2.7 One State wide Homestead exemption for all 3 types of governments.

3.2 School Aid Reform

3.2.1 Foundation Formula of \$6,000; Basic needs vary

3.2.2 Financing it:

3.2.3 Including Clothing in Sales Tax

3.2.4 1% Tax on Food in Grocery Stores (remember Food Stamps are Exempt)

3.2.5 Including Household Accounting, Legal and Other Services

3.3 Eliminate Gambling (what do the polls show?)

3.4 Broaden local earned income tax to include new PIT base

Foundation= \$6,000 – mandatory 1% PIT just for Education, eliminate municipal share

3.5 County gets .25% Mandatory PIT

4.0 State Tax Reform

Tax appeals process for local and state taxes

4.1 Personal Income Tax—Seniors Retirement Income In, and raise the poverty level. I'm doing some work with the Current Population Survey for another purpose and see a tax expenditure of considerable size that deserves attention.

4.2 Business Taxes

The effects of the PPG and Annenberg cases need to be taken into account in local tax law, and consideration given to the risk of somebody litigating the local manufacturing exemption.

PURTA is another messed up area. We should go to statewide assessment of utility property and Get rid of the local windfalls.

