

Maryland Tax Education Foundation
June 16, 2008

MEDIA RELEASE

“Good News at a Hefty Price”

Montgomery County Schools Able to Maintain SAT Score Advantage in
Face of Changing Demographics.

Compared to 2004, MCPS spending in excess of inflation and enrollment
now totals \$180 million annually.

- The combined median SAT math and verbal scores of MCPS test takers were 1,089 in 2007, a 72 point advantage over the national mean.
- The ratio of minorities (that typically score below average, such as African-American and Hispanic) rose from 25% of MCPS test takers in 2004 to 30% in 2007. The national percentage of minority test takers increased from 11% in 2004 to 12% in 2007.
- All things being equal, the larger MCPS change should result in a 10 point decline in the advantage. MCPS had a minority participation increase but sustained only a four point decline in its advantage from 2004 to 2007. This is a victory for MCPS.
- Compared to 2004, MCPS spending in 2007 over and above inflation and enrollment was \$180 million. This extra investment likely contributed to the SAT scores being higher than would otherwise have been the case, given the rise in minority test takers and participating seniors.

Contact: Jeff Hooke, Chairman
Maryland Tax Education Foundation
(301) 850-2532 Office
jhooke@hookeassociates.com - Email

School Spending in Montgomery County and SAT Scores

Update to 2005 Study

Maryland Tax Education Foundation

June 2008

ABSTRACT

This short paper presents a follow-up to MTEF's 2005 study "School Spending in Montgomery County as Compared to Ten Affluent Counties in Connecticut, California, Maryland, New Jersey and New York." As the 2005 study's title indicates, it compared Montgomery County school spending and student achievement to those of other states' counties that have similar demographics to Montgomery. The study examined data from 2004 and found that Montgomery achieves superior student achievement as compared to the other counties, and that it does so at a lower price.

This follow-up finds that, as of 2007, Montgomery students continue to score well on SAT tests. More impressive, an overwhelming majority of MCPS students — almost four in five — take the tests. This indicates that Montgomery's excellent results are not the product of "creaming" — the product of the tests being taken by only an exceptional few. Just as impressive, MCPS's test-takers are an increasingly diverse group, both ethnically and financially. These results reflect well on MCPS.

However, the cost of these results continues to rise. In three years between the two studies, MCPS spending has increased an average annual amount of \$180 million above what changes in enrollment and inflation would explain.

This paper, like the original report, does not argue that the educational results justify, or do not justify, the cost to taxpayers. Instead, this paper simply makes the information available for the public's consideration.

2005 Study

In October 2005, the Maryland Tax Education Foundation published a study that showed Montgomery County Public Schools and Fairfax County, VA public schools delivered better SAT scores at a lower cost per pupil than school districts with similar demographics in Connecticut, New Jersey and New York. The per-pupil costs were adjusted for regional cost-of-living differences. Two similar counties in California had significantly lower costs (minus 30%) but lower test scores as well.

The 2005 study, which used data from 2004, also showed that MCPS' per-pupil spending increased faster than comparable counties, except for the two California counties that were playing "catch up" from a low base.

The *Washington Post* and *Montgomery Gazette* reported on the study. Dr. Jerry Weast, MCPS Superintendent, referred to it in a TV broadcast news conference. The study was presented to the Montgomery County School Board and Montgomery County Council in oral testimony, followed up by the written report. The Council subsequently authorized a new position to oversee the MCPS budget.

The 2005 study focused on Scholastic Aptitude Test scores as the only objective barometer of cross-state-border performance. For earlier grades, achievement tests vary widely by state and there is no other uniform standard, absent federal government tests that are not available on a county-by-county basis.

Dr. Jerry Weast, among others, has stated that high SAT participation rates and the associated SAT scores can be indicative of a school system's progress.

2008 Follow-up

- The 2007 SAT test has three parts: critical reading, math and writing. Each section has a total of 800 points for a combined maximum score of 2400 points. The 2004 SAT had two sections, verbal and math, providing a combined maximum score of 1600 points. The College Board indicates that the 2007 math and critical reading scores can be compared to 2004 math and verbal scores, respectively. This is something colleges needed for consistency in admissions requirements. We compare 2004 and 2007 in our study.
- The combined median SAT math and verbal scores of MCPS test takers were 1,089 in 2007, a 72-point advantage over the national mean. The advantage was consistent with results since 2000, when the advantage ranged for 68 to 76 points.
- The ratio of minorities (that typically score below average, such as African-American and Hispanic) rose from 25% of MCPS test takers in 2004 to 30% in 2007. The national percentage of minority test takers increased from 11% in 2004 to 12% in 2007.

- All things being equal, the larger MCPS change in minority participation should result in a 10 point decline in the advantage. MCPS had a minority participation increase but sustained only a four point decline in its advantage from 76 points in 2004 to 72 points in 2007. This is a victory for MCPS.
- The 79% participation rate for seniors was slightly higher than previous years. A higher participation rate tends to lower MCPS' ability to increase its SAT advantage, although encouraging more students to take the test is a positive. The national participation rate was stable from 2004 to 2007. MCPS avoided a significant decline in its advantage even with a higher participation. Another victory for MCPS.
- MCPS management might suggest that the System's advantage is affected negatively by a higher proportion of FARMs, ESOL and Special Education test takers. These groups have lower SAT scores, and their percentage participation increased in two categories from 2004 to 2007. See the following table:

MCPS Test Takers – Selected Categories

	<u>2004</u>	<u>2007</u>
FARMs	7.3%	12.5%
ESOL	1.5	7.5
Special Education	5.0	3.7

However, a substantial proportion of FARMs and ESOL test takers are represented in the minority participation statistic (which, as noted, rose from 25% to 30%) because many FARMs and ESOL test takers are African American or Hispanic. The gain in FARMs and ESOL test takers is a relatively unimportant factor in SAT results because the minority participation statistic already accounts for the impact of such a gain.

- MCPS spending continues to increase faster than the growth in (i) inflation, plus (ii) enrollment. Other systems had similar patterns, at least through fiscal 2008. Many voters tend to equate quality schools with more spending, even though the validity of this linkage is open to question. The strongest predictors of a student's academic performance remain (i) family income; and (ii) parents' education level.
- Compared to 2004, MCPS spending in 2007 over and above inflation and enrollment was \$180 million. This extra investment likely contributed to the SAT scores being higher than would otherwise have been the case, given the rise in minority test takers and participating seniors.

The next few paragraphs examine related topics.

2009 Budgets of Two Counties in the Original Study

- The Fairfax County school system closely resembles MCPS. Its budget increased 3% for fiscal 2009 on a 2% gain in students. Fairfax County teachers received 4.5% in combined cost of living (COL) increases and step raises. The MCPS budget rose 4% on a 0% gain in students, with comparable COL and step raises of 7.5%.
- The Baltimore County school system budget will rise 1% on a 0% change in enrollment. The COL increase was 0%. Step raises ranged from 1% to 5%, depending on the union.
- Like Montgomery County, both counties reduced their growth in spending for fiscal 2009, compared to fiscal 2008. On a per pupil basis, Fairfax and Baltimore County spending will rise 1% in 2009, vs. 4% for MCPS.

Newsweek

Newsweek placed six MCPS high schools in the top 100 nationally. The ranking reflects well on MCPS high schools, but it is based principally on the number of students taking advanced placement courses rather than a broad-based test such as the SAT. The rankings do not indicate how many students passed the AP tests or received high grades on the AP tests.

Management Responsibility

School spending is not a teacher issue, a union issue or a staff compensation issue. It is a management issue tied to the local school board, and ultimately to elected officials who exercise supervisory control. Management's job is to allocate resources in the most effective manner. MTEF is interested in Montgomery County making informed decisions based on the analysis of past results. To settle for less will invite waste, erode public support for the school system, and diminish the excellent reputation of MCPS.

The next page provides a brief summary of MTEF.

About MTEF

MTEF is a non profit, non partisan organization that studies budget and tax issues in the State of Maryland. Previous topics have included a \$1.1 billion legal fee requested by the Angelos law firm, a \$1.5 billion slots license giveaway proposed by the State of Maryland, Montgomery County zoning giveaways and other issues.

The web site is:

www.marylandtaxeducation.org

Thanks to Representatives of the Following Organizations:

College Board (SAT statistics division)
National Center for Education Statistics
Baltimore County Public Schools Budget Office
Fairfax County Public Schools Budget Office