

# AN EVALUATION OF THE COMMONWEALTH'S CAPITAL GRANTS PROGRAM FOR SCHOOLS

Karen Rich  
Research and Evaluation Branch  
Department of Education, Training and Youth Affairs

## INTRODUCTION

The evaluation of the Commonwealth's Capital Grants Programme for schools was undertaken during 1998 and 1999 by the Research and Evaluation Branch of the Department of Education, Training and Youth Affairs (DETYA) in consultation with DETYA's Schools Division. This paper describes the approach taken to the evaluation, discusses some of the methodological issues associated with evaluating the Commonwealth Capital Grants Program, and highlights some learnings from the evaluation process.

### Background

The Commonwealth contributes approximately \$300m per annum towards funding capital infrastructure in both government and non-government schools. The Commonwealth contribution represents about one fifth of all capital expenditure in Australian schools. This occurs as part of the Commonwealth's total effort in schooling, which includes recurrent grants of \$3 billion per annum, as well as a number of targeted funding programs, including support for literacy and numeracy and Indigenous education. The overarching aim of all Commonwealth schools programs is to improve the quality of education, raise standards of learning and ensure that schools meet the educational needs of all students.

State and territory governments bear primary responsibility for meeting the needs of public schooling, including the funding of capital development. Non-government schools and their communities likewise bear primary responsibility for funding capital development in that sector.

In aggregate terms the Commonwealth is a significant but supplementary funder of capital in government and non-government schools.

### The Capital Grants Program (CGP)

The ultimate objective for the CGP is to improve educational outcomes by assisting in the provision of school facilities, particularly in ways that contribute most to raising the overall level of educational achievement of Australian school students<sup>1</sup>. Specific objectives include: providing and improving school capital infrastructure, especially for educationally disadvantaged students; balancing refurbishment/upgrading of existing infrastructure with meeting growth in student numbers; and pursuing the Commonwealth's general objectives for schooling.

Commonwealth grants are provided to State and Territory Education Authorities (STEAs) for government schools and Block Grant Authorities (BGAs) for non-government schools. STEAs and BGAs then allocate funds to those schools within their jurisdictions that meet the Commonwealth's requirements.

## APPROACH TO THE EVALUATION

The overall objective of the evaluation was to examine whether the CGP has been effective in addressing the government's objectives and thereby improved the capital infrastructure of Australian schools, particularly those catering for educationally disadvantaged students.

Specifically the evaluation undertook to:

- provide an analytic overview of the Capital Grants Programme in the context of total capital funding for Australian schools;

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<sup>1</sup> DETYA, Commonwealth Programme for Schools - Quadrennial Administrative Guidelines 1997-2000, (<http://www.detya.gov.au/schools/csp/content.htm>)

- analyse the effectiveness of the programme in meeting the Commonwealth's objectives;
- assess the efficiency and quality of programme administration; and
- examine the overall appropriateness of the programme.

### **Methodology and data sources**

The methodology for the evaluation included analysis of existing literature and data, including program administration data held by the Commonwealth and data from Australian Bureau of Statistics publications; consultations with government and non-government education authorities and schools to examine issues of program effectiveness and efficiency; and analysis of the data collected and methods used by education authorities to plan and manage school capital.

### **Management of the evaluation**

The evaluation was overseen by a Steering Committee comprising representatives from DETYA and the Commonwealth Department of Finance and Administration (DoFA). A Reference Group, comprising representatives from DETYA and government and non-government education authorities from each of the states and territories, was established to assist with developing evaluation issues, comment on consultant briefs and provide input to reports.

## **DISCUSSION**

Assessing the impact of the Commonwealth program has presented some interesting challenges for this evaluation. Given the Commonwealth's ultimate objective for all schools programs is to improve educational outcomes for Australian students, how do improvements in school infrastructure contribute to this objective? How do we assess the impact of the Commonwealth program when it represents only one source of funding for school infrastructure? And how do we determine whether the available funds are distributed to educationally disadvantaged students? The remainder of this paper focuses on discussion of these issues. A second major focus of the evaluation was to examine the way in which the Commonwealth's allocative arrangements impact upon the decision making of government and non-government school authorities, and in this area the evaluation provided a lot of useful information and analysis. However, the allocative aspects are not discussed to any great extent here since the focus of this paper is evaluation challenges.

### **The link between school infrastructure and educational outcomes**

The links between school infrastructure and ultimate educational outcomes are complex. Research from the OECD and the US indicates that while adequate infrastructure is important, it is difficult to demonstrate a direct relationship between infrastructure and outcomes since the state of the physical infrastructure is only one of many factors which influence the level of educational achievement. Other factors such as curriculum and teaching are arguably more important

A recent US Department of Education paper<sup>2</sup> concluded from a review of several studies that "good facilities appear to be an important precondition for student learning, provided that other conditions are present that support a strong academic programme in the school". Another recent OECD survey found that the relationship between student performance and school infrastructure varied substantially between studies. While research points to the physical environment of schools having an effect upon the behaviour and performance of students and staff, it is often difficult to demonstrate this relationship in a way that is statistically significant.<sup>3</sup> The research literature on effective schools also suggests that it is the way that schools use their resources that is most important.<sup>4</sup> Moreover, once infrastructure in an individual school has reached a certain level, however defined, further improvements are likely to have more marginal educational value.

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<sup>2</sup> US Department of Education, Impact of Inadequate School Facilities on Student Learning, May 1998 (<http://www.ed.gov/inits/construction/impact.html>)

<sup>3</sup> Earthman, G I & Lemasters, Linda, "The Impact of School Buildings on Student Achievement and Behaviour", in PEB Exchange : the journal of the OECD Programme on Educational Building, Issue 30, February 1997.

<sup>4</sup> National Board of Employment, Education and Training, Developing Indicators of Infrastructure Needs in Secondary Schools, Commissioned report no 31, August 1994.

Given the difficulty in drawing a direct relationship the evaluation did not attempt to measure the extent to which the program has led to improved educational outcomes. Nevertheless, improving educational outcomes is appropriate as an ultimate objective for this and other Commonwealth programs.

### **Improving school infrastructure**

The main objective for the program, to improve school infrastructure, is framed as an output rather than an ultimate outcome. This is a recent objective dating from 1998 and reflects an across the board revision of Commonwealth programs in the lead up to the introduction of accrual budgeting from 1999. The change recognises the importance of having objectives which are measurable and over which program managers have more direct control. Prior to 1998 the objective was stated in terms of improving educational outcomes.

Whilst the change in the program objectives provides a more direct way of assessing the program's performance the question of how to attribute any change in school infrastructure to the Commonwealth's program is difficult to address. Although its contribution is substantial, the Commonwealth is not the major funder of school infrastructure, contributing on average 32% of funds in the government sector and 13% in the non-government sector. The responsibility for adequate infrastructure is shared between Commonwealth and state/territory governments as well as individual schools and their communities.

Nevertheless given its substantial investment the Commonwealth needs information to allow it to determine the appropriateness of its funding input taking into account the inputs of other parties, and to ensure accountability for expenditure of Commonwealth funds. The thinking behind the approach to the evaluation was therefore to provide a national picture of the state of infrastructure in Australian schools in order for the Commonwealth to make sound decisions about future funding arrangements, and to provide baseline data against which future changes could be assessed.

In terms of developing a national picture of the overall state of school buildings the first consideration was whether the evaluation could use existing data, or whether new data would need to be collected. Program administrative data collected by the Commonwealth mainly relates to descriptions of projects for which schools have received Commonwealth grants, and project costs; it does not collect information relating to the condition of school buildings. In addition, the Commonwealth's program data only relates to those schools that apply for Commonwealth funds. Through its non-government schools financial questionnaire the Commonwealth collects information relating to the income and expenditure of non-government schools, including capital. Analysis of this data provided some useful information for the evaluation, however it doesn't tell us about the appropriateness of the level of expenditure in the absence of data relating to the physical condition of schools.

Early investigations revealed that some data on the state of school infrastructure is collected by government and non-government school education authorities for their own capital planning and management purposes, but that little was known at a national level regarding the extent and comparability of this data. This suggested that the most sensible approach would be to examine that data before embarking upon a costly and time consuming data collection exercise. The approach that was decided upon was to concentrate on mapping the availability of existing data, determining to what extent it is nationally consistent, and identifying possible performance indicators and benchmarks for future use. This exercise could provide a basis for future work if appropriate.

A consultant with expertise in facilities assessment was engaged to examine the extent and comparability of available data relating to the state of the infrastructure in government and non-government schools. Findings from this exercise indicated a lack of consistent and comparable data at the national level. Given differences among states and among the Government, Catholic and Independent school sectors, this is perhaps not surprising. Different definitions of what constitutes capital and different reporting thresholds means there were considerable differences between the Government and non-government sectors even for the data that was available. It should be emphasised that the lack of consistent data does not imply poor practice among education authorities, but is simply a reflection of differences among jurisdictions and the purpose for which the data is collected.

The problem for the Commonwealth is that a national picture of the overall state of Australian schools could not be established. A major finding of the evaluation was the lack of national data and the need to do some work on the development of measures of school infrastructure and the collection of better data.

### **Targeting 'educational disadvantage'**

Given the program's focus on educationally disadvantaged students, one indicator of the effectiveness of the program's arrangements is the extent to which Commonwealth funds are directed to schools serving those students. The rationale behind the Commonwealth's objective is that available funds go to the most needy. The Commonwealth has an enduring interest in targeting assistance to disadvantaged students, the strategy being to remove barriers to educational achievement (such as

inadequate infrastructure) for those students whose educational outcomes are likely to be poorest overall (as a result of all factors, not just the infrastructure) and hence maximise their educational outcomes.

An important consideration here is that the Commonwealth does not fund schools directly but through State Education Authorities (STEAs) in the case of government schools and Block Grant Authorities (BGAs) for non-government schools. Whilst the Commonwealth Minister has final approval for funding schools, the decision making about which schools will be funded is made by STEAs and BGAs, based on the Commonwealth's guidelines for allocation. The evaluation found that the definition of educational disadvantage is ambiguous and that different interpretations are applied. The flexibility afforded by the program guidelines is a positive feature of the program in that it allows for more devolved decision making to those with local knowledge. However, from an evaluator's perspective it makes it difficult to assess the extent to which funds are distributed according to Commonwealth priorities. The evaluation considered a number of possibilities for assessing the extent to which Commonwealth funds are directed to the most 'needy', however defined.

Socio-economic status (SES) provides one indicator of the level of disadvantage faced by students and the relationship between the two is well documented in educational literature. Many studies have identified low socio-economic status of parents as being associated with educational disadvantage.<sup>5</sup> ABS data provides annual income figures for parents whose children attend government, Catholic and Independent schools but the data is in aggregate form and does not relate to individual schools. Another possibility that we considered was linking the school address to ABS Census Collection Districts to get an SES score for individual schools, and analysing this by the distribution of Commonwealth grants. However a school's location will not necessarily reflect the socio-economic backgrounds of the students, who may be drawn from a quite dispersed areas in some cases.

The Commonwealth has recently developed a methodology for measuring the socio-economic status of individual schools by linking the residential addresses of students at the school to ABS Census Collection Districts. Unfortunately the results were not available for this evaluation, but the model provides a potential means for assessing the distribution of Commonwealth Capital Grants in the future.

Socio-economic status is one indicator of disadvantage, but in the context of this program other factors such as the state of the school facilities and the financial capacity of the school community to fund its own capital works can also provide a basis for distinguishing relative need among schools. Consultations undertaken as part of this evaluation indicated that education authorities take these factors into consideration in the decision making about which schools will qualify for Commonwealth funds. However the relative weighting given to any one factor varies somewhat among government and non-government authorities. Whilst it has been difficult to quantify the extent to which Commonwealth funds are being distributed according to need, qualitative findings indicated general satisfaction and few complaints about the outcomes of the funding process.

### **Key learnings**

Notwithstanding the methodological problems discussed in this paper the evaluation provided some very useful analysis of the Commonwealth's allocative arrangements and the ways in which the Commonwealth rules and requirements impact upon the decision making of government and non-government education authorities. Overall the evaluation provided a valuable opportunity for the Commonwealth to review its policy objectives, improve the way in which it allocates capital funding to schools and improve the program's accountability arrangements. From an evaluator's perspective there are also some important learnings for the way we conduct evaluations in the future.

### *Key stakeholders and the evaluation process*

An evaluation of a funding program such as this generates considerable interest amongst key stakeholders and there are good reasons for involving them in the evaluation process from an early stage. Firstly, stakeholder expertise in specific areas can provide valuable input to developing evaluation issues and assisting with our understanding of the way in which the program operates 'on the ground'. For the Capital Grants evaluation the primary mechanism for involving key stakeholders was through an evaluation Reference Group. As representatives of the school sectors across all states in Australia they provided an important link between the evaluators, operating at a Commonwealth level, and the ultimate beneficiaries of the Commonwealth's program, the schools themselves. Another important reason for involving stakeholders is to enhance acceptability of the evaluation findings. Major criticism from key stakeholders can damage the credibility of the evaluation report, and impede the potential for the evaluation to effect change. Involvement of key stakeholders throughout the evaluation can assist greatly in this regard.

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<sup>5</sup> Australian Council for Educational Research, Socioeconomic Status and School Education, June 1995.

Stakeholder consultation presents challenges for the evaluator and the process is not always easy. Keeping key people informed and involved throughout the evaluation can be time consuming and it is important to recognise this from the outset and plan timelines and resources accordingly. In addition, even with extensive consultation differences of view are inevitable, and there can be tension between what stakeholders may see as important and how we as evaluators interpret the findings. Getting the right balance between acceptability to stakeholders and integrity as researchers is important in the reporting of evaluation findings.

#### *Making use of the available data*

Maximising the use of available data, such as that collected for program administration purposes, is an important consideration in evaluating programs. However, in some cases we find that administrative data is limited in the extent to which it can address the key evaluation questions because the data is collected for program administration, not research purposes. In evaluating the Capital Grants Program we spent a considerable amount of time mining the available data to see what it could tell us about the effectiveness of the program. We found that the data provided us with limited information on the key evaluation issues (the state of the infrastructure; targeting to educationally disadvantaged students, as discussed earlier) but it did provide us with a lot of useful contextual information. This contextual information was used to confirm and elaborate on qualitative data from the reference group and program managers' consultations.

Another reason for putting time and effort into analysing the data is that it helps us to be judicious in determining what new data we need to collect for the evaluation. In addition, careful examination of the data enables us to identify gaps and the weaknesses to be addressed to improve program monitoring and accountability. It helps us to think about ways in which program data can be improved for research and evaluation purposes in the future. For these reasons the time spent analysing the available data for the Capital Grants Program evaluation was worth the effort even though only the most relevant to the findings were discussed in the final report.

#### *Looking beyond the program*

In evaluating the Commonwealth Capital Grants program we took a broad perspective and looked beyond the program itself. It was important to do this because the Commonwealth program does not operate in isolation but interacts with state/territory government and private funding arrangements, all of which contribute to school infrastructure. We therefore attempted to describe the big picture and to look at the Commonwealth program within this broader context. The challenge was in determining how far beyond the program we needed to go. Essentially this comes down to a matter of judgement, bearing in mind the purpose of the evaluation as well as time and resource constraints.

The process of evaluating the program caused us to reflect upon the Commonwealth's policy intentions and its role in the funding of school infrastructure. As a result the direction we took had elements of both program evaluation and policy analysis, in that we examined not just how well the program had performed, but also provided analysis of future options for the Commonwealth, and the strengths and weakness of the different approaches. Program managers reported that the evaluation process had helped them to think about future directions, both at the broad policy level and in the specifics of program management, reminding us that the process is just as important as the end result, the final evaluation report.

## REFERENCES

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