

PUBLIC SCHOOL FUNDING IN MASSACHUSETTS

How Does the Commonwealth Compare to the Rest of the Nation?

By Christina Legg Greenberg

Few issues are as prominent in today's public policy debate as the concerns surrounding our public education system. Policymakers at both ends of the political spectrum are continuing to focus on the problem of "fixing" public education; in the meantime a decade of tax cuts and the recent economic downturn have limited the ability of local districts to maintain the progress that many of them made in the 1990s.

Ten years ago, on the eve of a state court decision calling for education finance reform, the Massachusetts' legislature adopted the Education Reform Act, which increased public school funding, particularly in low income communities. The Act established a "foundation budget," the amount of funding deemed necessary to provide an adequate education to children in a given school district. It both stipulated the amount of local revenue cities and towns were expected to contribute towards meeting their respective foundation budgets and altered the formula by which state education aid is distributed.

Until the last few years, the story of education reform in Massachusetts was a story of progress on each of three fronts: school governance was reformed; resources were increasing in districts across the state; and student performance was rising. The Education Reform Act provided districts with a guaranteed base of funding that could be used to plan for current and future expenditures, such as reducing class sizes. The performance of Massachusetts' students on state and federal tests demonstrate real improvements in learning.¹

As the data in this report demonstrate, the increases in education funding that provided Massachusetts schools with the resources to improve throughout the 1990s were not unaffordable. Although Massachusetts rose to 11th in the nation in geographically cost-adjusted spending per pupil by 2001, the state was 44th in the nation when state and local spending is compared with total state personal income.² As a relatively affluent state,

¹ Student performance as measured by National Assessment of Educational Progress and the Massachusetts Comprehensive Assessment System. NAEP Data from U.S. Department of Education, National Center for Education Studies: <http://nces.ed.gov/nationsreportcard/states/profile.asp>. MCAS data from Massachusetts Department of Education website: <http://www.doe.mass.edu/mcas/>.

² In Table 2, spending as a share of personal income is broken down into total spending (includes revenue from federal sources) and state and local spending (excludes revenue from federal sources). In this report, when spending as a share of income is broken down into capital or current expenditures, these figures include federal sources, as that is how the Census reports the data. (In addition, as the federal share of education revenue is small in most states, its inclusion has a minimal impact on state rankings.) When describing state and local spending as a share of personal income, this paper excludes the federal portion from the analysis.

Massachusetts was able to devote more funding to schools without creating an undue burden on available resources.

This report compares Massachusetts' level of education spending in the early 1990s to that of 2001 (the most recent year for which US Census data are available), as well as the Commonwealth's financial investment in education to that of other states. We use two measures to compare states' public education spending: 1) expenditures as a share of personal income; and 2) cost-adjusted spending per pupil. The first (spending as a share of personal income) measures the share of total state resources (i.e. personal income) that has been dedicated to education. The latter (cost-adjusted spending per pupil) adjusts the nominal per pupil spending figure, taking account of interstate cost-of-living differences.³ If such an adjustment were not made, Massachusetts' per pupil expenditure rankings would appear artificially high, since education – like other goods and services – costs more here than in most other states. Therefore, whenever “per-pupil” spending is discussed in this report, the cost figures used have been adjusted for cost-of-living differences.

While the most recent Census data available are from 2001, this report also examines other national research that compares changes in education spending in Massachusetts to changes in other states in the years since the fiscal crisis began. Of note, while Massachusetts made significant progress in education spending and student performance in the 1990s that progress is now in jeopardy. Since fiscal year 2002, no state in the nation has cut per pupil funding for education as much as Massachusetts.⁴

Changes in Education Finance Since 1993

One of the primary goals of the Massachusetts Education Reform Act was to ensure that adequate funding is provided to schools in low income communities. Students in poorer communities suffer doubly – not only must they overcome a raft of problems not faced by other students, but the local resources available to their schools are often inadequate to address those problems. As the U.S. General Accounting Office has observed:

³ Leonard, Herman B. and Walder, Jay H., *The Federal Budget and the States, Fiscal Year 1999*, John F. Kennedy School of Government, Harvard University (December 15, 2000). This report uses the 1993 and 1999 Indices; the 1999 Index is the most recent available. This is the best available source of state to state comparisons of the cost-of-living. It is important to note, however, that adjusting for cost of living only takes account of differences in the local cost of providing school services. It does not account for differences in education costs due to factors such as socio-economic status and the number of students with special needs.

⁴ Andrew Reschovsky, "The Impact of State Government Fiscal Crises on Local Governments and Schools," Madison, WI: Robert M. La Follette School of Public Affairs, University of Wisconsin, Madison, December 2003, p.27. (This is a revised version of a paper presented at the Annual Conference on Taxation, National Tax Association, Chicago, IL, November 15, 2003).

Localities raise revenue for education mainly through property taxes, and the amount of local funds depends on both property values and local tax rates. This has produced local funding disparities because school districts' property tax bases vary widely . . . localities with low property values usually raise less local revenue per pupil even with higher tax rates.

At the same time:

Poor students risk academic failure because their homes or communities lack the resources to prepare them academically and because, among other factors, they have considerable health and nutrition problems. Children living below the poverty level are more likely than non-poor children to have learning disabilities and developmental delays.⁵

The Education Reform Act sought to mitigate such differences by requiring the Commonwealth to assume greater responsibility for ensuring adequate funding across local districts. Census Bureau data indicate that in the 1990s the Commonwealth did make significant strides towards this goal. The following figures were compiled by comparing data from the U.S. Census Bureau on federal, state and local public education finances in 1993, and the most recent year surveyed, 2001.

- In FY 1993, cities and towns in Massachusetts provided 63.5 percent of all revenue for primary and secondary education, far in excess of the 47.0 percent of education revenue that cities and towns provided nationwide. Indeed, in FY 1993, cities and towns in just two states – New Hampshire and Michigan – were responsible for a larger share of public education funding than those in Massachusetts.
- Between FY 1993 and FY 2001, the share of primary and secondary education spending funded from the state's coffers grew from 31.5 percent to 41.1 percent. This nearly one-third increase was the seventh largest increase of its kind among the 50 states.

The increase in state financing was accompanied by a sizable increase in the resources available for primary and secondary education.

- In FY 1993, state and local spending on primary and secondary education in Massachusetts totaled 3.3 percent of state personal income; by FY 2001, that figure was 3.8 percent of state personal income. While such an increase only improved Massachusetts' national ranking from 50th to 44th, the Commonwealth

⁵ *School Finance: State and Federal Efforts to Target Poor Students*, United States General Accounting Office, January 1998, p. 6-7.

did increase education spending at a rate greater than all but three other states during that time.

- Overall spending grew between FY 1993 and FY 2001 when measured on a cost-adjusted, per-pupil basis. In FY 1993, total per pupil spending for primary and secondary education was \$6,532 in 2001 dollars, once interstate cost-of-living differences are taken into account.⁶ That figure grew to \$9,296, by FY 2001. Consequently, Massachusetts' national ranking for total cost-adjusted per-pupil spending climbed from 33rd to 10th.

It is important to recognize, however, that such increases only occurred after several years of substantial public education funding cuts. Between FY 1989 and FY 1992, state education aid to cities and towns fell 32 percent in real terms. In FY 1993, local education aid was just beginning to climb out of that hole – it did not return to the inflation-adjusted FY 1989 level until FY 1996.⁷

- Spending on instruction has climbed since FY 1993 as well. Massachusetts spent 2.1 percent of personal income on primary and secondary educational instruction in FY 1993. That amount rose to 2.5 percent of personal income by FY 2001. No other state witnessed larger increases over that span. Yet Massachusetts still ranked in the bottom half of the nation (28th).
- The trend in capital spending for primary and secondary education since FY 1993 is less clear. According to Census Bureau data, in FY 1993, Massachusetts spent \$0.39 per \$1,000 of personal income on capital projects, 50th in the nation and about one-tenth of the overall U.S. level. However, the level of capital spending in FY 1993 may be seen as somewhat of an aberration, as Massachusetts spent \$1.60 per \$1,000 of personal income in this category in FY 1992 (about two-fifths of the overall U.S. level) and \$1.79 per \$1,000 of personal income in FY 1994 (roughly half of the aggregate U.S. amount).

If one were to use the average of actual spending levels for FY 1992 through FY 1994 and assign FY 1993 a “normal” level of capital spending, then it would appear that capital spending in Massachusetts grew 201 percent between FY 1993 and FY 2001. Yet Massachusetts remains well below the national average for capital spending on schools: the state is ranked 40th when capital expenditures are measured as a percentage of personal income.

⁶ Cost of Living Index drawn from: Leonard, Herman B. and Walder, Jay H., *The Federal Budget and the States, Fiscal Year 1999*, John F. Kennedy School of Government, Harvard University, December 15, 2000.

⁷ *Where Have All the Dollars Gone? Massachusetts Budget Priorities in the 1990s*, TEAM Education Fund, June 2001, p. 11.

2001 Education Spending from State, Local and Federal Sources

In addition to reporting findings for how Massachusetts' education finance system has changed since 1993, it is useful to look at a snapshot of where the state ranks compared to others in a single fiscal year. As 2001 is the most recent year for which Census data are available, the following facts and figures are calculated for that year.

Overall Spending

Under the Census Bureau's system of classification, total spending on education is made up of current spending and capital spending. Current spending includes all those expenditures necessary for day-to-day operations – pencils, books, teacher salaries, etc. Capital spending is defined as “direct expenditure for construction of buildings, roads, and other improvements” as well as “for purchases of equipment, land, and existing structures...” It does not include building maintenance or repairs – those expenses are categorized as current spending.

- When operating and capital costs are combined and adjusted for state cost-of-living differences, total spending per pupil in Massachusetts was \$9,286 in 2001 and was 10th in the country, 6.7 percent above the overall U.S. mark of \$8,694 per pupil.
- However, when personal income is taken into account, Massachusetts' overall education spending was less than almost any other state. In FY 2001, state and local spending totaled 3.8 percent of personal income, leaving Massachusetts in 44th place. Nationally, 4.4 percent of personal income was spent on public elementary and secondary education in FY 2001 (16 percent more than Massachusetts).

Current Spending

- On a per pupil basis, when adjusted for cost-of-living differences, current spending in Massachusetts was the 11th highest in the country in FY 2001. The Commonwealth spent \$8,249 per pupil or 11 percent more than the national level.
- Nevertheless, when measured as a share of income, current spending for public elementary and secondary education in Massachusetts ranked 40th in the nation in

FY 2001. A total of 3.7 percent of personal income was devoted to this expenditure category that year.

- Two-thirds of current spending in Massachusetts in FY 2001 was used for instruction. Only New York dedicated a larger share of current spending to teaching that year. Almost all remaining current spending – roughly one-third – went to support services. By comparison, the fifty states, when taken together, devoted 60.7 percent of current spending to instruction and 39.3 percent to support services.
- Per pupil spending on instruction in Massachusetts totaled \$5,509 in FY 2001, putting it in 4th place nationwide.

Capital Spending

The Census data show that capital spending for primary and secondary education in Massachusetts ranked in the lower half of states in FY 2001. All capital projects performed by state and local entities are included in the capital outlay figures.

- Massachusetts allocated a cost-adjusted amount of \$848 per pupil to capital outlays in FY 2001, leaving it in 29th place.
- Measured as a share of income, Massachusetts was 40th in the country in spending for capital outlays (\$4.00 per \$1,000 of personal income) and 30th in capital debt outstanding at the end of 2001. The national average for capital spending – \$6.00 per \$1,000 of personal income – was 50 percent greater than that of Massachusetts.

Massachusetts has a lower rate of capital investment than most other states despite several years of growth in the School Building Assistance (SBA) program during the 1990s. The SBA program is the principal means through which the Commonwealth assists local governments in constructing new schools. SBA appropriations grew in real terms throughout the 1990s and, by FY 2000, had reached their highest level in two decades. Despite sustained efforts by state policymakers to add to the resources available for school construction, Massachusetts is still behind other states.

State and Local Contributions

The Census Bureau's data also offer some insight into the way in which primary and secondary education spending is financed in Massachusetts. Of note:

- Local governments provided the largest share of revenue for public elementary and secondary education in Massachusetts for FY 2001 – 54.2 percent. The state government provided 41.1 percent of such revenue, while the federal government supplied just 4.7 percent.
- Consequently, Massachusetts tends to rely more than most states on local governments to generate revenue for K-12 education. Among local governments, those in Massachusetts produced the 7th largest share of total public elementary and secondary education revenue. Local governments across the United States provided 43.0 percent of revenue for K-12 education in FY 2001.
- In addition, Massachusetts depends less on federal aid than the vast majority of states – the share of total revenue that federal aid comprised in Massachusetts in FY 2001 was 46th in the country. This is most likely attributable to the manner in which federal education aid is distributed. Funds available under Title I, “the largest federal program supporting elementary and secondary education,” are “generally targeted based on numbers and percentages of poor children.”⁸ In 2000, only 12 states had a lower child poverty rate than Massachusetts according to US Census population estimates.

Changes in Student Performance

It is important to remember that spending on public schools, especially in specific, targeted ways, is directly connected with student achievement. The Tennessee Student Teacher Achievement Ratio (STAR) experiment (one of the best designed and most well-respected educational studies of the past 15 years) demonstrated that small class sizes, particularly at the lower grades, have a measurably positive effect on student test scores.⁹ In Massachusetts, average class sizes in the elementary grades were reduced from 23.9 in the school year ending in 1994 to 20.8 in the school year ending in 2000.¹⁰

The new resources available to schools in the 1990s appear to be correlated with an improvement in student achievement. Improved student performance on the Massachusetts Comprehensive Assessment System (MCAS) test has been well documented. To control for the possibility that these improvements are due in part to increased attention to the specific content of that test, it is important also to look at the performance of Massachusetts students on other assessments. The National Assessment of Educational Progress (NAEP) exam is the nation’s standard test of student

⁸ *Title I Funding: Poor Children Benefit Though Funding Per Poor Child Differs*, United States General Accounting Office, January 2002, p. 1-3.

⁹ For more detail, see the Project STAR Executive Summary: <http://www.cde.ca.gov/classsize/eval/projstar.htm>.

¹⁰ Data from U.S. Department of Education, National Center for Education Studies, Digest of Educational Statistics, 2001 and 2002 downloaded 1/4/04 from: <http://nces.ed.gov/programs/digest/>.

achievement. The performance of Massachusetts students on this test also shows significant improvement over the past decade. (Table 1 provides a comparison of Massachusetts' NAEP results between 1992 and 2003.)

Postscript: 2001 to the Present

Over the past three years, Massachusetts – like most states – has been forced to find ways to deal with repeated budgetary shortfalls. To discover whether state government responses to the fiscal crisis have been more detrimental to the funding of education in some states than others, Andrew Reschovsky – a professor at the University of Wisconsin – analyzed data on changes in state aid to education between FY 2002 and FY 2004. Reschovsky, one of the nation's leading experts on the financing of state and local governments, found that, for the nation as a whole, state government spending on elementary and secondary education grew by 4.5 percent, but in Massachusetts, state support for education has been *reduced* by 7.5 percent.¹¹

When Reschovsky takes account of the rising costs of education and changes in enrollment between FY 2002 and FY 2004, he finds that *real* per pupil state aid was reduced by a larger percentage in Massachusetts than in any other state. During the past two years, state per pupil support was cut by 14.3 percent in Massachusetts compared to a reduction of 4.0 percent for the nation as a whole.

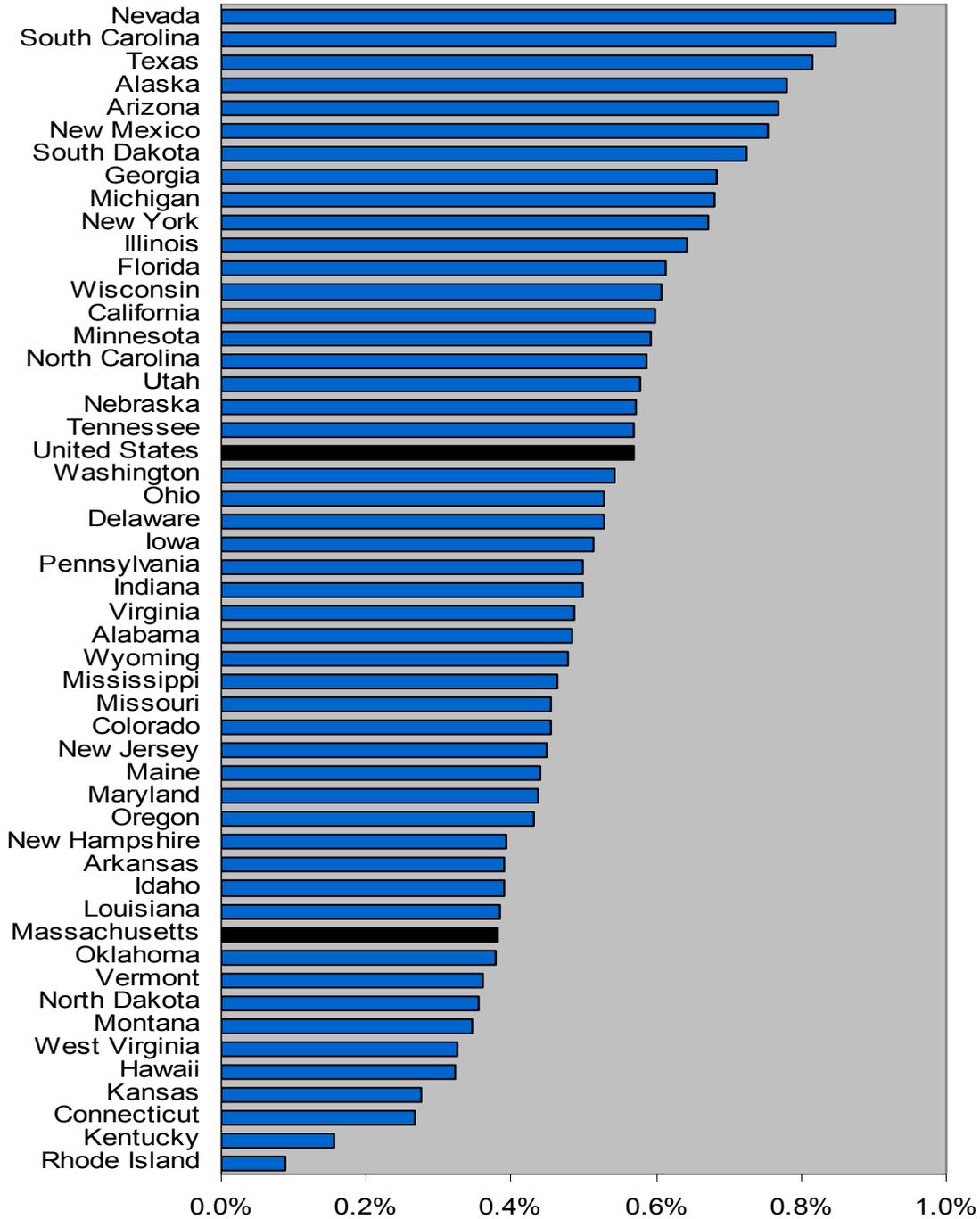
In FY 2004, grant programs administered by the Massachusetts Department of Education were cut by close to \$100 million. Funding was completely eliminated for certain transportation programs and for grants to reduce class sizes in the lower grades. In addition, monies for early literacy programs, MCAS remediation services and school breakfast pilot programs were cut by more than 50 percent. Unrestricted local aid (much of which supports local education expenditures) was decreased by a nominal amount of \$184.7 million between FY 2003 and FY 2004, a reduction of 15 percent. Chapter 70 Aid for education was cut by a nominal amount of \$147.8 million, a reduction of 4.5 percent. (That drop is 6.6 percent once inflation is taken into account.) In nominal dollars, education spending was reduced by close to a quarter of a billion dollars in the latest state budget.¹² The resulting funding level was close to \$332 million below the amount that would have been needed to keep pace with inflation. Furthermore, since communities spend close to half of their overall revenues on education, the state's \$184.7 million reduction in unrestricted local aid results in additional reductions in the resources available to fund schools in communities that experienced large local aid cuts.

¹¹ Andrew Reschovsky, "The Impact of State Government Fiscal Crises on Local Governments and Schools," Madison, WI: Robert M. La Follette School of Public Affairs, University of Wisconsin, Madison, December 2003, p.27. (This is a revised version of a paper presented at the Annual Conference on Taxation, National Tax Association, Chicago, IL, November 15, 2003).

¹² This figure does not include School Building Assistance funds, which support non-operating costs.

Graph 1

Capital Expenditures on Education as Share of Personal Income, FY01

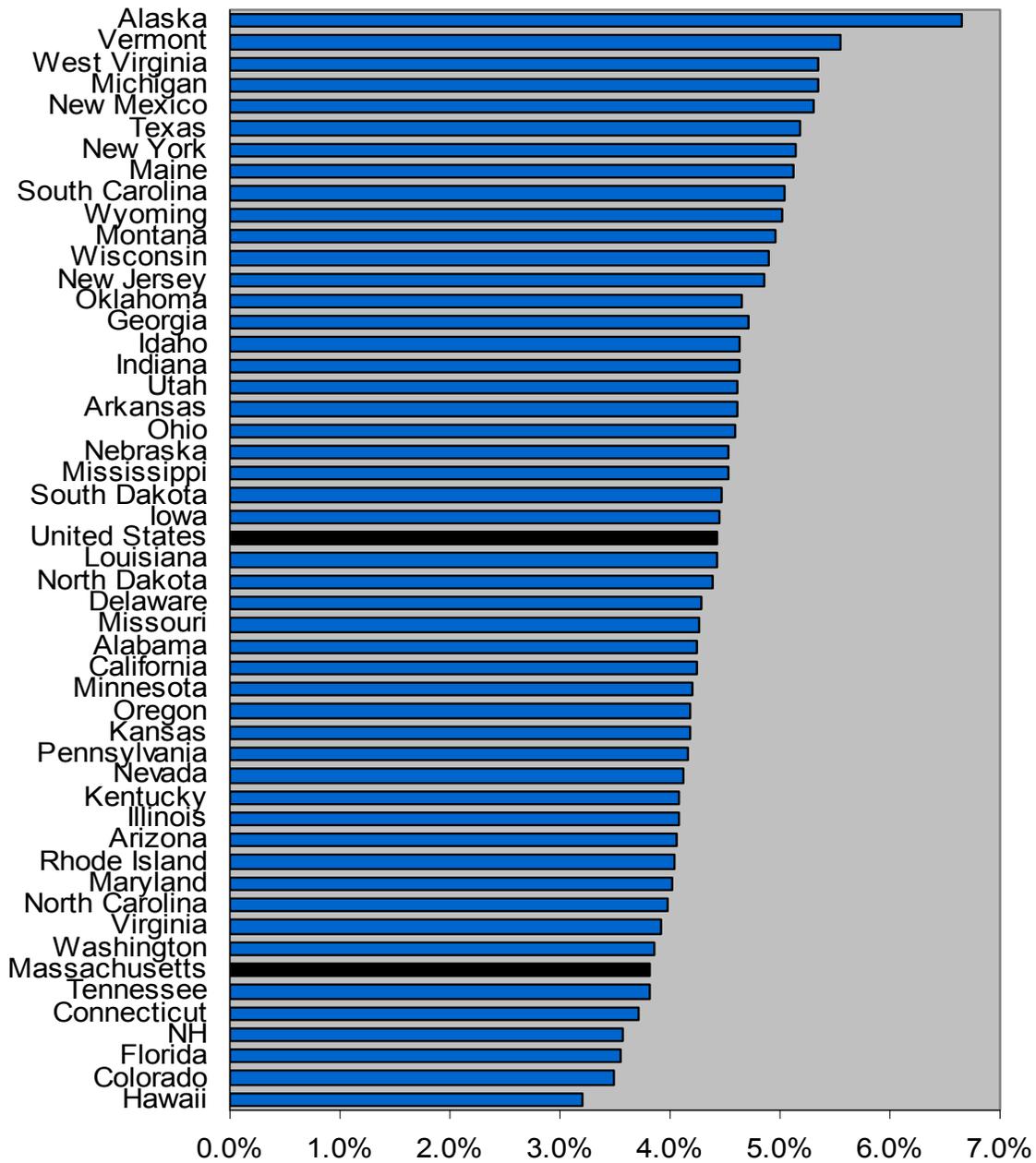


Source: US Census Bureau, "Public Education Finances: 2001," March 2003.
<http://www.census.gov/govs/www/school.html>



Graph 2

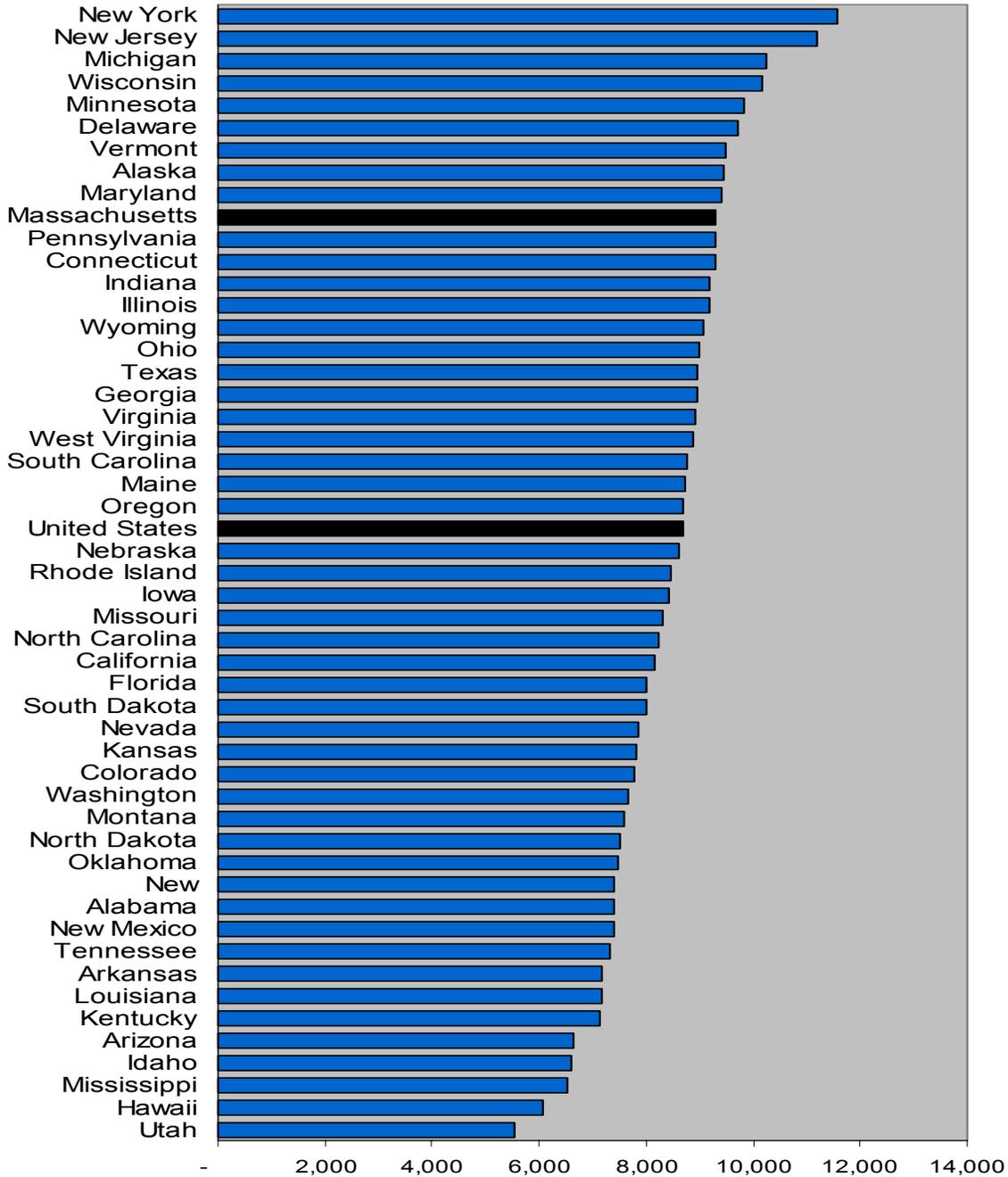
State and Local Spending on Public Education as a Share of State Personal Income



Source: US Census Bureau, "Public Education Finances: 2001," March 2003.
<http://www.census.gov/govs/www/school.html>.

Graph 3

Total Per Pupil Public Education Expenditures (Cost-Adjusted), FY01

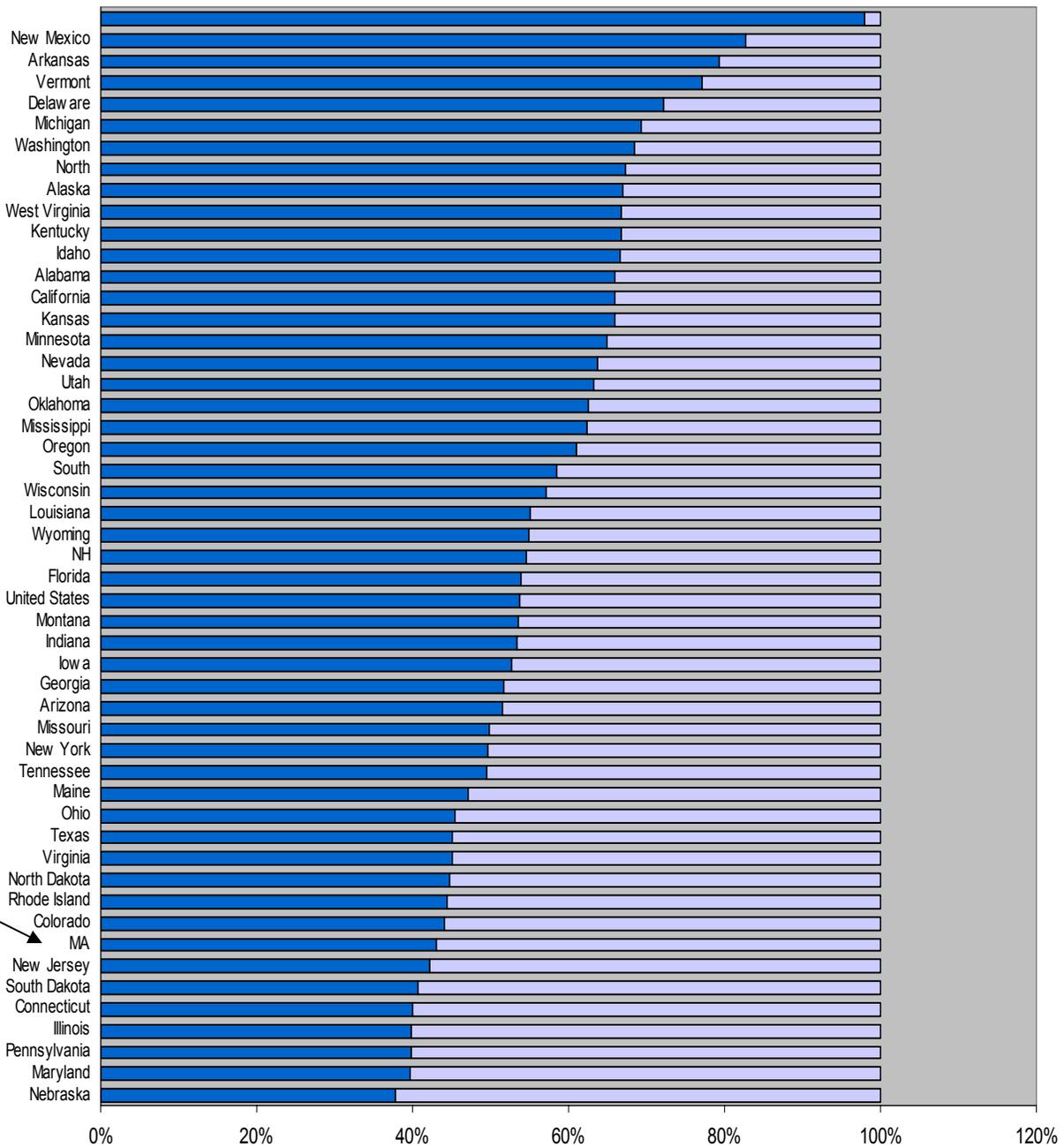


Source: US Census Bureau, "Public Education Finances: 2001," March 2003. <http://www.census.gov/govs/www/school.html>. Data provided in cost-adjusted figures, using the Cost of Living Index drawn from: Leonard, Herman B. and Walder, Jay H., *The Federal Budget and the States, Fiscal Year 1999*, John F. Kennedy School of Government, Harvard University, December 15, 2000.

Graph 4

State and Local Share of Total Non-Federal Public Education Revenue, FY01

■ State Share □ Local Share

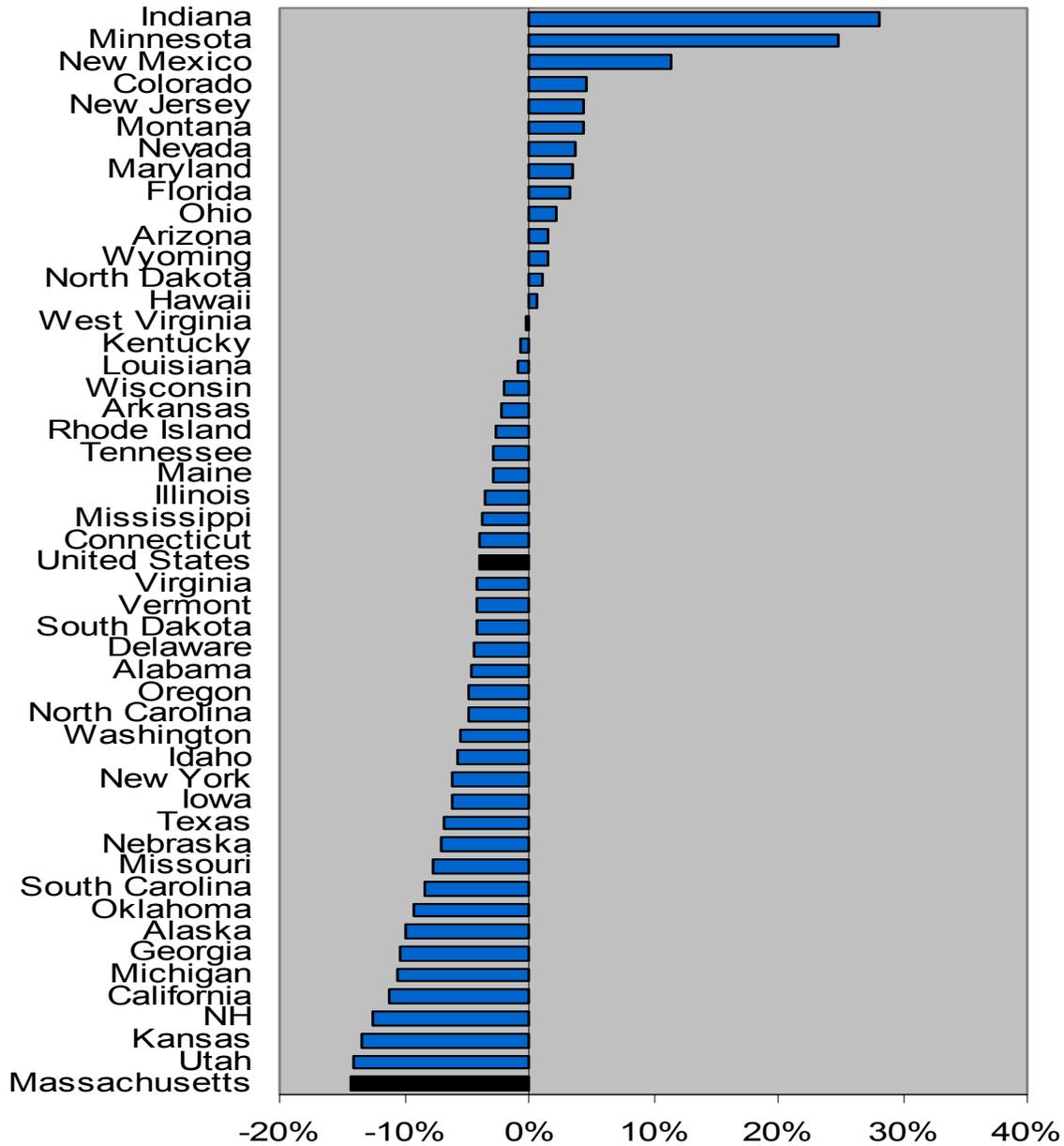


Source: US Census Bureau, "Public Education Finances: 2001," March 2003.
<http://www.census.gov/govs/www/school.html>



Graph 5

Percentage Change in Real State Government Expenditures Per Pupil for Public Education, 2002-2004



Based on data from: Andrew Reschovsky, "The Impact of State Government Fiscal Crises on Local Governments and Schools," Madison, WI: Robert M. La Follette School of Public Affairs, University of Wisconsin, Madison, December 2003.

Table 1

Massachusetts NAEP Performance¹³

| | Achievement Level (i.e. Percent at or Above) | | |
|----------------------------|---|-------------------|-----------------|
| | Basic | Proficient | Advanced |
| Mathematics | | | |
| 1992 | | | |
| Fourth Grade | 68% | 23% | 2% |
| Eighth Grade | 63% | 23% | 3% |
| 2003 | | | |
| Fourth Grade | 84% | 41% | 6% |
| Eighth Grade | 76% | 38% | 8% |
| Reading* | | | |
| 1992 | | | |
| Fourth Grade | 74% | 36% | 7% |
| 1998 | | | |
| Eighth Grade | 79% | 38% | 3% |
| 2003 | | | |
| Fourth Grade | 73% | 40% | 10% |
| Eighth Grade | 81% | 43% | 5% |
| Writing[^] | | | |
| 1998 | | | |
| Eighth Grade | 87% | 31% | 2% |
| 2002 | | | |
| Eighth Grade | 90% | 42% | 4% |
| Science[^] | | | |
| 1996 | | | |
| Eighth Grade | 69% | 37% | 4% |
| 2000 | | | |
| Eighth Grade | 74% | 42% | 5% |

* Reading scores not available for 8th Grade in 1992.

[^] Science and Writing scores not available for 4th Grade.

¹³ Data from U.S. Department of Education, National Center for Education Studies. State profile for Massachusetts available online: <http://www.nces.ed.gov/nationsreportcard/states/profile.asp>.

Table 2**Composition of Public Primary and Secondary Education Revenue, FY01**

*This data is taken directly from the Census and is not adjusted for variation in state reporting.

| | <u>Federal Revenue</u> | | <u>State Revenue</u> | | <u>Local Revenue</u> | |
|----------------------|------------------------|-----------|------------------------|-----------|------------------------|----------|
| | Share of Total Revenue | Rank | Share of Total Revenue | Rank | Share of Total Revenue | Rank |
| United States | 7.1% | | 49.9% | | 43.0% | |
| Alabama | 9.6% | 12 | 59.6% | 16 | 30.8% | 38 |
| Alaska | 17.3% | 1 | 55.3% | 20 | 27.4% | 45 |
| Arizona | 9.9% | 10 | 46.4% | 34 | 43.7% | 22 |
| Arkansas | 9.3% | 13 | 72.0% | 3 | 18.7% | 48 |
| California | 8.3% | 20 | 60.5% | 12 | 31.2% | 37 |
| Colorado | 5.5% | 42 | 41.6% | 40 | 52.9% | 8 |
| Connecticut | 4.1% | 49 | 38.4% | 45 | 57.5% | 2 |
| Delaware | 6.9% | 27 | 67.2% | 5 | 25.9% | 46 |
| Florida | 8.5% | 17 | 49.4% | 28 | 42.1% | 24 |
| Georgia | 6.2% | 33 | 48.5% | 30 | 45.4% | 19 |
| Hawaii | 8.4% | 18 | 89.8% | 1 | 1.8% | 50 |
| Idaho | 7.9% | 22 | 61.4% | 11 | 30.7% | 39 |
| Illinois | 7.8% | 23 | 36.7% | 48 | 55.5% | 6 |
| Indiana | 4.9% | 44 | 50.7% | 25 | 44.3% | 21 |
| Iowa | 6.1% | 35 | 49.4% | 27 | 44.5% | 20 |
| Kansas | 6.5% | 31 | 61.6% | 10 | 31.9% | 36 |
| Kentucky | 9.8% | 11 | 60.1% | 14 | 30.0% | 41 |
| Louisiana | 11.6% | 6 | 48.7% | 29 | 39.7% | 28 |
| Maine | 6.1% | 34 | 44.2% | 36 | 49.7% | 14 |
| Maryland | 5.9% | 37 | 37.3% | 46 | 56.8% | 3 |
| Massachusetts | 4.7% | 46 | 41.1% | 42 | 54.2% | 7 |
| Michigan | 6.7% | 29 | 64.7% | 6 | 28.6% | 44 |
| Minnesota | 4.6% | 47 | 61.8% | 9 | 33.5% | 34 |
| Mississippi | 13.7% | 3 | 53.9% | 22 | 32.4% | 35 |
| Missouri | 6.6% | 30 | 46.6% | 33 | 46.8% | 17 |
| Montana | 11.4% | 7 | 47.5% | 31 | 41.2% | 26 |
| Nebraska | 7.2% | 25 | 35.0% | 50 | 57.7% | 1 |
| Nevada | 5.0% | 43 | 60.5% | 13 | 34.5% | 31 |
| New Hampshire | 4.5% | 48 | 52.1% | 24 | 43.4% | 23 |
| New Jersey | 3.8% | 50 | 40.6% | 43 | 55.6% | 5 |
| New Mexico | 13.8% | 2 | 71.3% | 4 | 14.9% | 49 |
| New York | 5.6% | 40 | 46.9% | 32 | 47.6% | 16 |
| North Carolina | 6.8% | 28 | 62.7% | 8 | 30.4% | 40 |
| North Dakota | 13.2% | 4 | 38.8% | 44 | 48.0% | 15 |
| Ohio | 5.8% | 38 | 42.9% | 37 | 51.3% | 12 |
| Oklahoma | 9.9% | 9 | 56.3% | 19 | 33.8% | 32 |
| Oregon | 7.2% | 24 | 56.7% | 18 | 36.1% | 30 |
| Pennsylvania | 6.4% | 32 | 37.3% | 47 | 56.3% | 4 |
| Rhode Island | 5.6% | 41 | 41.9% | 39 | 52.5% | 9 |
| South Carolina | 7.9% | 21 | 53.9% | 23 | 38.2% | 29 |
| South Dakota | 11.9% | 5 | 35.9% | 49 | 52.3% | 10 |
| Tennessee | 8.9% | 14 | 45.0% | 35 | 46.0% | 18 |
| Texas | 8.6% | 16 | 41.2% | 41 | 50.2% | 13 |
| Utah | 8.3% | 19 | 57.9% | 17 | 33.7% | 33 |
| Vermont | 6.0% | 36 | 72.5% | 2 | 21.5% | 47 |
| Virginia | 5.7% | 39 | 42.5% | 38 | 51.8% | 11 |
| Washington | 7.1% | 26 | 63.6% | 7 | 29.3% | 43 |
| West Virginia | 10.6% | 8 | 59.8% | 15 | 29.6% | 42 |
| Wisconsin | 4.8% | 45 | 54.5% | 21 | 40.7% | 27 |
| Wyoming | 8.6% | 15 | 50.2% | 26 | 41.2% | 25 |

Table 3

Spending on Public Primary and Secondary Education as a Share of Personal Income, FY01

| Total Spending | | State and Local Spending | | Current Spending | | Capital Spending | |
|----------------|---------------------------|--------------------------|---------------------------|------------------|---------------------------|------------------|----------------------------|
| | United States 4.8% | | United States 4.4% | | United States 4.1% | | United States 0.57% |
| 1 | Alaska 7.3% | | Alaska 6.7% | | Alaska 6.4% | | Nevada 0.93% |
| 2 | Vermont 5.8% | | Vermont 5.5% | | Vermont 5.4% | | South Carolina 0.85% |
| 3 | Michigan 5.7% | | West Virginia 5.4% | | West Virginia 5.4% | | Texas 0.81% |
| 4 | West Virginia 5.7% | | Michigan 5.3% | | Maine 5.1% | | Alaska 0.78% |
| 5 | New Mexico 5.7% | | New Mexico 5.3% | | Wyoming 5.0% | | Arizona 0.77% |
| 6 | Maine 5.6% | | Texas 5.2% | | Michigan 4.9% | | New Mexico 0.75% |
| 7 | New York 5.5% | | New York 5.1% | | Montana 4.9% | | South Dakota 0.73% |
| 8 | Wyoming 5.5% | | Maine 5.1% | | New Mexico 4.8% | | Georgia 0.68% |
| 9 | South Carolina 5.5% | | South Carolina 5.0% | | New York 4.7% | | Michigan 0.68% |
| 10 | Texas 5.5% | | Wyoming 5.0% | | Wisconsin 4.6% | | New York 0.67% |
| 11 | Wisconsin 5.5% | | Montana 5.0% | | Oklahoma 4.6% | | Illinois 0.64% |
| 12 | Montana 5.3% | | Wisconsin 4.9% | | New Jersey 4.6% | | Florida 0.61% |
| 13 | Indiana 5.2% | | New Jersey 4.9% | | Rhode Island 4.6% | | Wisconsin 0.61% |
| 14 | New Jersey 5.1% | | Oklahoma 4.7% | | South Carolina 4.5% | | California 0.60% |
| 15 | Oklahoma 5.0% | | Georgia 4.7% | | Texas 4.4% | | Minnesota 0.59% |
| 16 | Georgia 5.0% | | Idaho 4.6% | | Arkansas 4.4% | | North Carolina 0.59% |
| 17 | Ohio 5.0% | | Indiana 4.6% | | Indiana 4.4% | | Utah 0.58% |
| 18 | Utah 5.0% | | Utah 4.6% | | Ohio 4.4% | | Nebraska 0.57% |
| 19 | Iowa 4.9% | | Arkansas 4.6% | | Iowa 4.3% | | Tennessee 0.57% |
| 20 | Arkansas 4.9% | | Ohio 4.6% | | Idaho 4.3% | | Washington 0.54% |
| 21 | Minnesota 4.9% | | Nebraska 4.5% | | North Dakota 4.3% | | Ohio 0.53% |
| 22 | Oregon 4.8% | | Mississippi 4.5% | | Oregon 4.3% | | Delaware 0.53% |
| 23 | Idaho 4.8% | | South Dakota 4.5% | | Utah 4.3% | | Iowa 0.51% |
| 24 | Mississippi 4.8% | | Iowa 4.4% | | Mississippi 4.3% | | Pennsylvania 0.50% |
| 25 | South Dakota 4.8% | | Louisiana 4.4% | | Georgia 4.2% | | Indiana 0.50% |
| 26 | Nebraska 4.7% | | North Dakota 4.4% | | Louisiana 4.2% | | Virginia 0.49% |
| 27 | Pennsylvania 4.7% | | Delaware 4.3% | | Kansas 4.1% | | Alabama 0.48% |
| 28 | North Dakota 4.7% | | Missouri 4.3% | | Kentucky 4.1% | | Wyoming 0.48% |
| 29 | Rhode Island 4.7% | | Alabama 4.3% | | Minnesota 4.1% | | Mississippi 0.46% |
| 30 | Louisiana 4.6% | | California 4.3% | | Nebraska 4.1% | | Missouri 0.46% |
| 31 | Illinois 4.6% | | Minnesota 4.2% | | Pennsylvania 4.0% | | Colorado 0.45% |
| 32 | Delaware 4.6% | | Oregon 4.2% | | Delaware 4.0% | | New Jersey 0.45% |
| 33 | Alabama 4.6% | | Kansas 4.2% | | Alabama 4.0% | | Maine 0.44% |
| 34 | Kansas 4.5% | | Pennsylvania 4.2% | | South Dakota 4.0% | | Maryland 0.44% |
| 35 | California 4.5% | | Nevada 4.1% | | Missouri 3.9% | | Oregon 0.43% |
| 36 | Missouri 4.5% | | Kentucky 4.1% | | California 3.9% | | New Hampshire 0.39% |
| 37 | North Carolina 4.4% | | Illinois 4.1% | | Illinois 3.8% | | Arkansas 0.39% |
| 38 | Arizona 4.4% | | Arizona 4.1% | | North Carolina 3.7% | | Idaho 0.39% |
| 39 | Kentucky 4.3% | | Rhode Island 4.0% | | Maryland 3.7% | | Louisiana 0.38% |
| 40 | Nevada 4.3% | | Maryland 4.0% | | Massachusetts 3.7% | | Massachusetts 0.38% |
| 41 | Virginia 4.2% | | North Carolina 4.0% | | Connecticut 3.7% | | Oklahoma 0.38% |
| 42 | Washington 4.2% | | Virginia 3.9% | | Virginia 3.7% | | Vermont 0.36% |
| 43 | Maryland 4.2% | | Washington 3.9% | | Hawaii 3.6% | | North Dakota 0.36% |
| 44 | Massachusetts 4.2% | | Massachusetts 3.8% | | Washington 3.5% | | Montana 0.35% |
| 45 | Tennessee 4.0% | | Tennessee 3.8% | | New Hampshire 3.5% | | West Virginia 0.33% |
| 46 | Connecticut 4.0% | | Connecticut 3.7% | | Tennessee 3.4% | | Hawaii 0.32% |
| 47 | New Hampshire 4.0% | | New Hampshire 3.6% | | Arizona 3.4% | | Kansas 0.28% |
| 48 | Florida 3.9% | | Florida 3.5% | | Florida 3.2% | | Connecticut 0.27% |
| 49 | Hawaii 3.9% | | Colorado 3.5% | | Colorado 3.2% | | Kentucky 0.16% |
| 50 | Colorado 3.8% | | Hawaii 3.2% | | Nevada 3.2% | | Rhode Island 0.09% |

Table 4**Spending Per Pupil on Public Primary and Secondary Education, FY01
(in dollars; adjusted for interstate cost-of-living differences)**

| <u>Total Spending</u> | | <u>Current Spending</u> | | <u>Capital Spending</u> | |
|-----------------------|----------------------------|----------------------------|--|--------------------------|--|
| | United States 8,694 | United States 7,425 | | United States 1,036 | |
| 1 | New York 11,576 | New Jersey 10,015 | | Nevada 1,677 | |
| 2 | New Jersey 11,205 | New York 9,903 | | New York 1,404 | |
| 3 | Michigan 10,237 | Vermont 8,771 | | South Carolina 1,350 | |
| 4 | Wisconsin 10,174 | Michigan 8,672 | | Texas 1,327 | |
| 5 | Minnesota 9,810 | Wisconsin 8,612 | | Illinois 1,284 | |
| 6 | Delaware 9,731 | Delaware 8,546 | | Florida 1,249 | |
| 7 | Vermont 9,499 | Connecticut 8,466 | | Georgia 1,223 | |
| 8 | Alaska 9,443 | West Virginia 8,327 | | South Dakota 1,214 | |
| 9 | Maryland 9,404 | Maryland 8,317 | | Michigan 1,212 | |
| 10 | Massachusetts 9,296 | Alaska 8,272 | | Minnesota 1,189 | |
| 11 | Pennsylvania 9,287 | Massachusetts 8,249 | | Arizona 1,175 | |
| 12 | Connecticut 9,286 | Rhode Island 8,238 | | Wisconsin 1,127 | |
| 13 | Indiana 9,201 | Minnesota 8,210 | | Delaware 1,125 | |
| 14 | Illinois 9,191 | Wyoming 8,184 | | North Carolina 1,098 | |
| 15 | Wyoming 9,077 | Pennsylvania 7,914 | | California 1,077 | |
| 16 | Ohio 8,992 | Maine 7,879 | | Nebraska 1,039 | |
| 17 | Texas 8,973 | Ohio 7,840 | | Tennessee 1,031 | |
| 18 | Georgia 8,936 | Oregon 7,682 | | Virginia 1,019 | |
| 19 | Virginia 8,902 | Virginia 7,679 | | Alaska 1,012 | |
| 20 | West Virginia 8,875 | Indiana 7,678 | | New Mexico 987 | |
| 21 | South Carolina 8,765 | Illinois 7,632 | | New Jersey 986 | |
| 22 | Maine 8,716 | Georgia 7,573 | | Pennsylvania 984 | |
| 23 | Oregon 8,697 | Iowa 7,433 | | Washington 983 | |
| 24 | Nebraska 8,620 | Nebraska 7,418 | | Maryland 979 | |
| 25 | Rhode Island 8,469 | Missouri 7,268 | | Ohio 952 | |
| 26 | Iowa 8,434 | South Carolina 7,204 | | Colorado 918 | |
| 27 | Missouri 8,293 | Texas 7,166 | | Iowa 876 | |
| 28 | North Carolina 8,241 | Kansas 7,064 | | Indiana 874 | |
| 29 | California 8,150 | Montana 7,022 | | Massachusetts 848 | |
| 30 | Florida 8,009 | California 6,992 | | Missouri 844 | |
| 31 | South Dakota 7,996 | North Carolina 6,960 | | Alabama 787 | |
| 32 | Nevada 7,839 | North Dakota 6,844 | | Wyoming 787 | |
| 33 | Kansas 7,829 | Oklahoma 6,830 | | Oregon 776 | |
| 34 | Colorado 7,763 | Kentucky 6,706 | | New Hampshire 738 | |
| 35 | Washington 7,651 | South Dakota 6,623 | | Maine 687 | |
| 36 | Montana 7,599 | Florida 6,588 | | Utah 645 | |
| 37 | North Dakota 7,505 | New Hampshire 6,529 | | Mississippi 627 | |
| 38 | Oklahoma 7,456 | Colorado 6,503 | | Connecticut 612 | |
| 39 | New Hampshire 7,412 | Alabama 6,496 | | Louisiana 593 | |
| 40 | Alabama 7,409 | Arkansas 6,466 | | Vermont 587 | |
| 41 | New Mexico 7,398 | Louisiana 6,422 | | Arkansas 575 | |
| 42 | Tennessee 7,313 | Washington 6,388 | | North Dakota 568 | |
| 43 | Arkansas 7,187 | New Mexico 6,304 | | Oklahoma 562 | |
| 44 | Louisiana 7,161 | Tennessee 6,124 | | Idaho 534 | |
| 45 | Kentucky 7,125 | Idaho 5,922 | | West Virginia 507 | |
| 46 | Arizona 6,648 | Nevada 5,772 | | Hawaii 503 | |
| 47 | Idaho 6,587 | Mississippi 5,749 | | Montana 499 | |
| 48 | Mississippi 6,511 | Hawaii 5,572 | | Kansas 478 | |
| 49 | Hawaii 6,076 | Arizona 5,118 | | Kentucky 256 | |
| 50 | Utah 5,526 | Utah 4,745 | | Rhode Island 157 | |

Table 5

| Capital Expenditures as Share of Personal Income | | Debt Outstanding at End of | | |
|---|----------------------|-----------------------------------|----------------------|-------------|
| Capital Outlays | | FY01 | | |
| | United States | 0.6% | United States | 2.3% |
| 1 | Nevada | 0.9% | Michigan | 4.5% |
| 2 | South Carolina | 0.8% | Pennsylvania | 4.3% |
| 3 | Texas | 0.8% | Texas | 4.2% |
| 4 | Alaska | 0.8% | Minnesota | 4.2% |
| 5 | Arizona | 0.8% | Nevada | 4.1% |
| 6 | New Mexico | 0.8% | Wisconsin | 3.5% |
| 7 | South Dakota | 0.7% | Kansas | 3.2% |
| 8 | Georgia | 0.7% | Arizona | 3.2% |
| 9 | Michigan | 0.7% | Colorado | 3.2% |
| 10 | New York | 0.7% | Washington | 3.1% |
| 11 | Illinois | 0.6% | Oregon | 3.0% |
| 12 | Florida | 0.6% | Alaska | 2.8% |
| 13 | Wisconsin | 0.6% | Illinois | 2.8% |
| 14 | California | 0.6% | South Carolina | 2.8% |
| 15 | Minnesota | 0.6% | New York | 2.7% |
| 16 | North Carolina | 0.6% | Arkansas | 2.4% |
| 17 | Utah | 0.6% | Utah | 2.3% |
| 18 | Nebraska | 0.6% | Nebraska | 2.2% |
| 19 | Tennessee | 0.6% | Mississippi | 2.2% |
| 20 | Washington | 0.5% | Idaho | 2.2% |
| 21 | Ohio | 0.5% | Virginia | 2.1% |
| 22 | Delaware | 0.5% | South Dakota | 2.1% |
| 23 | Iowa | 0.5% | Missouri | 2.0% |
| 24 | Pennsylvania | 0.5% | New Mexico | 2.0% |
| 25 | Indiana | 0.5% | Louisiana | 2.0% |
| 26 | Virginia | 0.5% | Ohio | 2.0% |
| 27 | Alabama | 0.5% | Tennessee | 1.9% |
| 28 | Wyoming | 0.5% | Kentucky | 1.9% |
| 29 | Mississippi | 0.5% | North Carolina | 1.8% |
| 30 | Missouri | 0.5% | Massachusetts | 1.8% |
| 31 | Colorado | 0.5% | Alabama | 1.7% |
| 32 | New Jersey | 0.5% | Florida | 1.7% |
| 33 | Maine | 0.4% | Maine | 1.6% |
| 34 | Maryland | 0.4% | New Jersey | 1.6% |
| 35 | Oregon | 0.4% | New Hampshire | 1.5% |
| 36 | New Hampshire | 0.4% | Iowa | 1.5% |
| 37 | Arkansas | 0.4% | Georgia | 1.4% |
| 38 | Idaho | 0.4% | Vermont | 1.4% |
| 39 | Louisiana | 0.4% | California | 1.3% |
| 40 | Massachusetts | 0.4% | Connecticut | 1.2% |
| 41 | Oklahoma | 0.4% | Montana | 1.1% |
| 42 | Vermont | 0.4% | Wyoming | 1.1% |
| 43 | North Dakota | 0.4% | Oklahoma | 1.1% |
| 44 | Montana | 0.3% | Maryland | 0.9% |
| 45 | West Virginia | 0.3% | North Dakota | 0.8% |
| 46 | Hawaii | 0.3% | Indiana | 0.7% |
| 47 | Kansas | 0.3% | Rhode Island | 0.7% |
| 48 | Connecticut | 0.3% | Delaware | 0.6% |
| 49 | Kentucky | 0.2% | West Virginia | 0.5% |
| 50 | Rhode Island | 0.1% | Hawaii | N/A |